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In Seoul, Pressure Mounts

Resistance Rising to Authoritarian Rule

By John Burgess
Washington Post Service

SEOUL — At 9:30 on a humid night in July, sirens began wailing. In houses and apartments, people scurried to switch off lights and pull curtains across windows. Cars and buses pulled over and cut their headlights.

Layer by layer, Seoul began to disappear. Within minutes the blackness was complete, the silhouettes of tall buildings the only hint of what is now, at 10 million people, the world's fourth largest city.

Searchlights scanned the sky. To no one's surprise, they found no bombers from North Korea. This was a drill, an annual gauge of readiness for war, one of the routines of life in this highly disciplined society.

Twenty minutes later, Seoul quickly reappeared as people flipped light switches on cue from radio and television.

President Chun Doo Hwan observed the spectacle that night from the 60th floor of Seoul's tallest office tower. In a way, it was a study in how the former army general has tried to run South Korea, with everyone pulling together, working toward some great national goal, asking few questions, obeying orders.

South Korea's 40 million people maintain an almost total unity against the North, which they fought in the 1950-53 Korean War. But increasingly, Western diplomats and many Korean analysts say, they are questioning why this threat should mean that they must live permanently under an authoritarian, military-installed government like Mr. Chun's.

At the same time, North Korea is considered by some to be the world's most closed and totalitarian state. It has been improving its standard of living, but economic development in neighboring countries has left it far behind as it prepares for a transfer of power from President Kim Il Sung to his son, Kim Jong Il.

This series will examine how the North and South are coping with the pressures for change ahead.

Korea, an ancient nation-state with a history of more than 2,000

Korea
Coping With Change

First of three articles

years, was divided by the Allies in 1945 at the close of World War II. Americans occupied the South and Russians the North, establishing conflicting political systems.

South Korea was created in 1948 as a state when talks toward reunification broke down. The North invaded in 1950, starting a fratricidal war that left few buildings standing and saw intervention by United Nations and Chinese forces.

A stalemate in 1953 brought an end to the shooting, but not the hatred. South Korea has remained mobilized and ready for war, with more than 600,000 troops.

The United States maintains 40,000 troops in South Korea. They would be drawn instantly into any war that erupted.

The signs of preparation for war are everywhere. Oil storage tanks are painted in camouflage. Rail yards have concrete shelters for trains to avoid the bombs. Intersections in Seoul include waist-high brick flower beds that in wartime would become gun emplacements.

Thus the armed forces have gained bloated influence in society as a whole, reinforcing anti-democratic ideals left by 2,000 years of Confucian autocracy and 35 years of Japanese colonial rule.

South Korea is emerging into world prominence, a paradoxical society that is building industrial affluence with astonishing speed but one that remains mired in old patterns of authoritarian rule.

Feelings are rife today that some fundamental change — no one can say what — is at hand for the government. A clock is ticking toward a deadline, September 1988, when the eyes of the world will be on South Korea as it plays host to the Summer Olympic Games.

This spring, people thronged the streets of eight major cities to protest Mr. Chun's six years of rule. Christian leaders began speaking with new force, and radical students stepped up their battles with the police. Spirits had been buoyed by the overthrow in February of President Ferdinand E. Marcos in the Philippines.

For now, the government and the opposition are observing a truce while they try to negotiate an amended constitution.

"If they fail," says Park Chang Hee, a political science professor at Dankook University in Seoul, "we can expect major disturbances. The government might have to impose emergency measures."

In theory, the United States is a neutral bystander. In fact, it is courted — and resented — by both

See KOREA, Page 3

Hans Feidl/Reuters

A group of 50 Israeli tourists, calling for unrestricted emigration for Soviet Jews, sang and chanted in Helsinki on Monday as negotiators from Israel and the Soviet Union talked.

Israel and Soviet Renew Contact, Talk 90 Minutes

By Richard Bernstein
New York Times Service

HELSINKI — Israeli and Soviet negotiators met Monday in the first official contact between the two countries since the Soviet Union broke off relations with Israel in 1967.

But the meeting, which had been widely seen as the possible beginning of a new phase in relations between the two countries, ended after only 90 minutes.

Soviet negotiators apparently abandoned an earlier understanding that the talks would last two days.

An Israeli spokesman said, nonetheless, that the meeting had been "candid and correct." The two sides agreed to continue contacts in the future, he said.

Soviet negotiators at the meeting seemed to indicate a willingness to continue ties by suggesting that a Soviet delegation visit Israel in October to look into what they called "consular matters" and to inspect Soviet-owned property in Israel, presumably buildings that belong to the Russian Orthodox Church.

The Israelis responded by insisting that the Russians permit a reciprocal visit by an Israeli delegation to Moscow.

"We will not have any further meetings in Helsinki, but it has been agreed between the two delegations that we should continue our contact in the framework of the proper diplomatic channels," Ehud Gol, the deputy spokesman of the Israeli Foreign Ministry, said.

Mr. Gol said that the diplomatic channels would be the "interest sections" maintained by each country, by the Soviet Union in the Finnish Embassy in Tel Aviv and by the Israelis in the Dutch Embassy in Moscow.

Monday's meeting was widely viewed as a signal that the Soviet Union had decided to end the virtual diplomatic blockade of Israel that has been a fundamental element of its Middle East policy since it broke relations after the 1967 Arab-Israeli war.

The first sign of a change came in April when Moscow suggested that a delegation visit Israel to discuss consular relations and inspect the Russian Orthodox Church properties.

Israel responded by suggesting a preliminary round of talks to discuss the Soviet proposal.

From the beginning, most observers in Israel and the West assumed that the ostensible subject of the talks, consular relations, was

See MEETING, Page 6

Gorbachev Extends Nuclear Test Ban to January

AP

Mikhail S. Gorbachev giving his address on Monday.

By Philip Taubman
New York Times Service

MOSCOW — Mikhail S. Gorbachev announced Monday that the Soviet Union would extend its year-long unilateral moratorium on nuclear weapons testing until Jan. 1, 1987.

Mr. Gorbachev said in a nationally televised speech: "The Soviet Union has sufficient reasons for resuming its nuclear testing, and yet we are convinced even now that the ending of nuclear testing not only by the Soviet Union but also by the United States would be a real breakthrough toward arresting the nuclear arms race."

Mr. Gorbachev said the United States had conducted 18 underground tests, three of them unannounced, since the Soviet moratorium began.

Appealing to Washington to join the moratorium, Mr. Gorbachev said, "the equilibrium of fear is ceasing to be a factor of restraint."

"On behalf of the Soviet people," he said, "I am appealing to the wisdom and dignity of the Americans not to miss another historic chance on the way toward ending the weapons race."

He said that if Washington were willing to suspend testing and work toward a total ban, an agreement to end nuclear testing could be completed and signed before the end of the year at a meeting with President Ronald Reagan.

U.S.-Soviet talks are to resume on the prevention of accidental nuclear war. Page 6.

[The White House said Monday it would not be in the U.S. interest to join the test freeze, but it left the door open to some agreement, Reuters reported from Santa Barbara, California.

["We've always been interested in a testing agreement that would provide for some means of verification," said Larry Speakes, the White House spokesman. "What we're going to have to do is hear out the Soviet proposals, see if they meet our criteria and then proceed from there."]

The United States has refused to join the Soviet ban, contending that it was primarily a public relations gesture, that it was difficult to verify and that a pause in testing would hamper the modernization of U.S. nuclear weapons.

Mr. Gorbachev said continued U.S. testing showed "a stubborn resistance to peace initiatives" and "ostentatious disregard of the demands of the public."

He added that Washington's foreign policy was based on "the underestimation of the Soviet Union" and "the overestimation of its own potentialities which nourishes technological self-confidence and political permissiveness."

He called on Mr. Reagan to "overcome delusions about the Soviet Union and its foreign policy."

The test halt started on Aug. 6, 1985, the 40th anniversary of the U.S. atomic bombing of Hiroshima, and has been extended three times. Mr. Gorbachev announced the last extension May 14 in a speech about the April 26 accident at the Chernobyl nuclear power plant in the Ukraine.

The Kremlin, according to Soviet officials, is pleased with the world reaction to the moratorium, believing that it has enhanced the international image of the Soviet Union and served as a centerpiece for its arms control proposals.

Chernobyl Failure: Touchy Reactor, Human Error

By Stuart Diamond
New York Times Service

NEW YORK — Operators of the Chernobyl nuclear power plant set off the catastrophic accident there by taking too many chances with a reactor that was complicated, sensitive and hard to run, according to American scientists who have learned about details of the official Soviet accident report.

The scientists said they were surprised by and critical of some of the assertions in the report, and they added that it would be wrong to adopt its conclusion that the workers alone were responsible for the disaster.

They said most Soviet reactors were so difficult to operate and so complex in design that mistakes were more likely than with other reactor designs.

The 382-page Soviet report on the accident April 26 at the reactor 50 miles (about 80 kilometers) north of Kiev is to be presented Monday at a symposium sponsored by the International Atomic Energy Agency in Vienna.

"My sense is that the U.S. technical community response is a sense of horror that the operation of an admittedly difficult system would be carried out in such a fashion," said Dr. Joseph M. Hendrie, a nuclear consultant who was the chairman of the Nuclear Regulatory Commission for most of the four years ending in 1981.

"What they did," he said, "sounds like a very poorly considered invitation to disaster."

The report said the accident occurred after workers conducting a test shut off the plant's emergency cooling system, automatic reactor shut-down system and reactor power-regulating system, while leaving the reactor running at 7 percent power.

The reactor got out of control and power began to rise during the test, the report said, but workers ignored warnings of impending problems.

When they realized the extent of the trouble they tried to shut the reactor down, the report said, but could not stop the chain reaction. Explosions and a fire followed. The disaster killed at least 30 persons and elevated radioactivity levels around the world.

U.S. scientists were skeptical of the report's conclusion that the nuclear fuel did not melt, but said they were unwilling to dismiss this conclusion before examining the report.

The type and amount of radioactive products found in Europe afterward have suggested to Western experts that the reactor's uranium fuel melted at temperatures of 2,750 degrees centigrade.

The report lays virtually all the blame for the accident on reactor operators and their superiors.

Walter Y. Kato, deputy chairman of the Department of Nuclear Energy at Brookhaven National Laboratory at Upton, New York, said: "Their design makes it much easier for a simple upset to get them into trouble very quickly."

Mr. Kato's department closely studied the Three Mile Island accident in Pennsylvania in 1979, and he is studying the Chernobyl disaster. He said the Soviet operators "took chances they should not have taken, but things got out of control very quickly."

Soviet reactors such as the one at Chernobyl use graphite to trap neutrons necessary for the chain reaction that produces the heat ultimately used to generate electricity. Graphite is flammable and can

See CHERNOBYL, Page 6

Michel Arnaud/The Associated Press

LAST IMPRESSIONS — The Jeu de Paume museum in Paris closed Monday to allow the transfer of its Impressionist collection to the former Gare d'Orsay, which will open as an annex of the Louvre in December.

Tax Reform Is Viewed As Triumph for Reagan

By Peter T. Kilborn
New York Times Service

NEW YORK — If Congress accepts the broad reconstruction of the income tax system that its tax committees approved Saturday, Ronald Reagan will have earned himself a place among the handful of presidents who have wrought fundamental change.

He set the tone and defined the themes of a resolute campaign to clean up a body of law that President Jimmy Carter had called "a disgrace to the human race."

Effects of U.S. Tax Plan
Tomorrow's Insights page will carry a full report on the effects of the new tax package on individuals and businesses.

NEWS ANALYSIS

At President Reagan's urging, congressional leaders have agreed to purge the tax code of many of its special provisions for vested interests and to chop tax rates to 15 percent for most taxpayers and 28 percent for almost everyone else, a combination that would alter the finances of every American family and business.

The bill is a triumph that eluded all other presidents of the last half century.

Bob Packwood of Oregon, the Republican chairman of the Senate Finance Committee, and Dan Rostenkowski of Illinois, the Democratic chairman of the House Ways and Means Committee, played a huge role in working out a near-revolutionary change in the tax laws. But what emerges bears the singular stamp of Mr. Reagan.

The landmark legislation is less Republican than it is populist. It is less traditionally conservative than it is the expression of the Reagan supply-side credo that low individual taxes and small government clear the way to a sounder and more prosperous economy.

The agreement appeals to a deep-seated disenchantment with the tax system. Concessions to various interests had encrusted the system so greatly that they had become its dominant feature, belying the ideal of exacting a tax on all the nation's income.

It is true that some concessions remain — notably, special benefits for the oil and gas industry — and some are considered egregious. But many tax experts say they find more to praise than to mourn in this bill.

"If I were writing the specifications, I'd make it simon-pure," said Walter W. Heller, an economist at the University of Minnesota who, as chief economic adviser to President John F. Kennedy, inspired the giant tax cuts of 1964.

"It's utterly remarkable that in light of the power of the tax lobbies, we are getting as good a bill as we are. Washington deals in second-bests, and this is one of the best second-bests I've seen."

Joseph A. Pechman, an economist at the Brookings Institution, worked with every Democratic administration since the 1940s trying to redesign the tax system.

"We got nowhere," he said. "It's the only attempt I can think of that can be considered a major step in the direction of comprehensive tax reform."

The broader Reagan record in economic policy is a mixed picture, and its failures could eventually jeopardize the president's overhaul of the tax system.

He presides over an economy with low inflation but high unemployment, slow growth and distress among farmers and basic industries. Many economists predict that the tax proposal will be a damper on the economy next year because of the new burden it puts on business and the transitional uncertainty it creates for all taxpayers.

In the view of many, the president also shares much of the blame for the record, $200-billion annual budget deficits, and the proposed tax changes could worsen them.

The deficits soared following his first foray into the tax system five

See TAX, Page 6

Opposition is expected before the bill is adopted. Page 3.

Airlifts Stop; South Sudan Faces Famine

By Blaine Harden
Washington Post Service

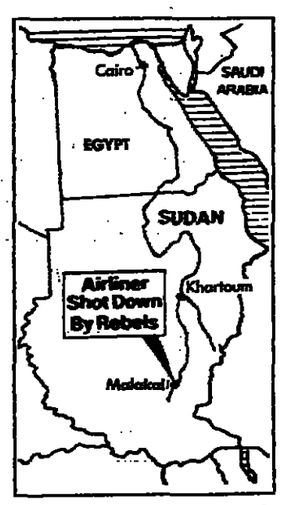
NAIROBI — Africa's most critical food emergency took a turn toward widespread famine over the weekend when Sudanese rebels shot down a civilian airliner.

Suddenly, the vast warring southern region of Sudan, where two million people are estimated to be threatened by starvation, became off-limits for airlifts of relief food.

The Sudan Peoples Liberation Army claimed responsibility Monday for shooting down the Sudan Airways plane. The government said all 60 persons aboard had died.

A spokesman for the insurgents, in a radio broadcast heard in Nairobi, said the "heroic" destruction of the airliner "served to underline that the SPLA means business" when it says that "no flight of any kind would be permitted" over rebel-held southern Sudan.

The Sudan Peoples Liberation Army, a force of about 12,000 guerrillas created three years ago, represents the Christian and animist majority in southern Sudan that for decades has resented and fought against the Khartoum government, which is dominated by northern Moslems.



AP

The rebels want regional autonomy and are particularly resentful of government attempts to force Islamic *sharia* law on the south.

Relief officials responsible for air and truck deliveries of emergency food said that the attack Saturday and the rebels' prohibition on the movement of relief food raised the specter of imminent mass starvation in several southern Sudanese towns.

"It is going to be as bad as you can imagine," said Robert Nicholls, an official in Nairobi for Oxfam, the British relief agency. "There has been a severe shortage

See SUDAN, Page 6

Chile Rejects Proposals For Reforms

By Bernard Weinraub
New York Times Service

SANTA BARBARA, California — General Augusto Pinochet of Chile has rejected the proposals of a Reagan administration envoy for substantial improvements in Chile's human rights record and the start of a political transition leading to democracy, according to administration officials.

As a result, the officials said Sunday, the United States is weighing economic steps against Chile and seeking to increase pressure on General Pinochet out of concern that the absence of political change is leading to widening terrorist activity.

The economic steps could include a vote against more loans for Chile by the World Bank.

Officials said General John R. Galvin, chief of the U.S. Southern Command based in Panama, met recently with General Pinochet to convey a message from the administration about what officials termed "the urgent need" for a transition to democratic government by the end of the decade.

An administration official said, "The response was that he, General Pinochet, will set Chile's course without the advice from anyone else."

The United States is seeking several specific steps by Chile, among them the legalization of political parties, the start of an electoral register to begin the registration of voters, an end to torture by security forces, talks between the government and the democratic opposition and an end to restrictions on freedom of assembly and the press.

On his visit to Santiago, General Galvin conveyed a message to General Pinochet about what one official termed "the unity of U.S. views on Chile."

Officials acknowledge that there

See CHILE, Page 6

U.S. Army Recruits Get New Order: No Smoking!

By Elizabeth Kolbert
New York Times Service

FORT DIX, New Jersey — The U.S. Army inculcates many skills, but the art of gentle persuasion has never been one of them.

Privates who speak without being spoken to are unceremoniously told to "shut your traps." Platoons that fail to show the respect due an officer often receive a 15-minute lecture on the topic, delivered while the troops remain in push-up position.

Few people were surprised, then, when the army recently instituted an anti-smoking policy that forced the men and women in basic training here to go cold turkey.

Few, that is, except the trainees themselves.

"If I had known, I honestly wouldn't have come," said Private Inez Hinton.

Private William Robinson, who said he was taking aspirin to dull the pain of withdrawal, said, "My recruiter told me you could smoke."

"Yeah, well my recruiter told me there were Jacuzzis in the barracks," said Private Mark Primavera. He said he had learned of the new rules shortly before he arrived here and had smoked two packs of cigarettes in the next three hours.

The ban on smoking for the roughly 7,500 trainees here is part of a new army policy to reduce smoking among its 781,000 soldiers and 450,000 civilian employees.

Slightly more than half of the army's uniformed personnel are smokers, compared with one-third of the general population. The army estimates that its civilian employees smoke at about the same rate as the general population.

The army policy was introduced three months after Defense Secretary Caspar W. Weinberger ordered a "health promotion program" to discourage smoking among military personnel.

'My recruiter told me you could smoke,' one trainee said.

'Mine told me there were Jacuzzis in the barracks,' said another.

So far, the navy and the air force have shown little interest in adopting similar policies.

At Fort Dix, as well as at the seven other army bases that conduct basic training, the new policy took effect last month.

For officers, it has mostly meant inconvenience. Smoking for them is permitted indoors only in designated areas, and prohibited in vehicles and aircraft.

But for many of the basic trainees, some of whom arrived the same day as the new policy took effect, the rules have meant not inconvenience, but agony.

Cigarettes were either confiscated when they arrived or locked in their civilian bags and now seem as distant as friends, families and home-cooked meals.

"It's grueling," said Private Julius Ford, who had just devoured a cheeseburger and was moving on to a piece of cake. "When you can't smoke, you eat like a pig."

Wherever there are rules, there are, of course, some soldiers who will break them.

In Company B of the 1st Battalion of the 5th Training Brigade, three trainees had just been caught trying to sneak a smoke in the latrine. As punishment, they received a lecture on "what type of conduct was expected from them as soldiers in the United States Army," according to their sergeant, Kurt Glover-Ettrich.

It could have been worse. They could have been fined a week's pay.

Despite the grumbling and the sneaking, though, even many longtime smokers said they were in favor of the new policy.

"I know I wouldn't make it through this if I was still smoking," said Private Troy Reetz during a pause in training.

"This" referred to an exercise known as the obstacle course, in which hundreds of sweaty bodies hurled themselves over barricades, under trestles, across trenches and through tunnels.

"It kind of builds integrity," Private Gary Angelossuls said of the new policy.

INSIDE

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■ Textron Inc. agreed to acquire Ex-Cell-O Corp. for about $1.03 billion. Page 9.

■ Taiwan plans to cut its trade surplus with the United States by opening its markets to U.S. goods and services. Page 9.

In Beirut Car-Bomb War, Civilian Deaths Feed 'Fire of Strife'

By Ihsan A. Hijazi
New York Times Service

BEIRUT — The Lebanese, already suffering from 11 years of civil war, have been subject to a new wave of car bombings that has had a shattering effect around the country.

The attacks have left 137 people dead and 800 wounded since the beginning of the year. Material damage has run into millions of dollars. But worst of all is the emotional and psychological impact on the civilian population.

"Lebanese are being used as logs to keep the fire of strife burning," said a commentator on the government's television station.

When a bomb goes off on one side of Beirut, civilians on the other side expect their turn will be next.

Car bombs have been one of the most lethal weapons over the years of civil strife. The press has dubbed the latest, more frequent, attacks in crowded streets and shopping centers "the car-bomb war."

Since January there have been 11 car-bomb explosions in Christian and Moslem areas, extending from the Christian port of Jounieh in the north to the Moslem port of Sidon in the south. Of these, seven went off in Christian sectors, mostly East Beirut. Two exploded in Moslem West Beirut and three in Sidon.

Some of the earlier explosions in East Beirut were set off near the offices of President Amin Gemayel's Phalangist Party. Subsequent bombings, however, seemed to have had no specific target. The same can be said about the explosions in West Beirut.

Most of the car bombs went off during the morning or noon rush hours, indicating that they were intended to cause as many casualties as possible.

Other explosions caused by dynamite placed at building entrances or under parked cars have killed and wounded people on both sides of the Green Line, which divides the Lebanese capital into Christian and Moslem halves.

The Christians have accused Syrian agents of planting the bombs. They say Damascus wants to force Mr. Gemayel, a Christian, and his supporters in East Beirut to yield to a Syrian-brokered formula for changing Lebanon's political system.

Syria's goal, the Christians say, is to deprive them of the majority they have enjoyed in executive and legislative posts since the political system was laid down at independence 43 years ago.

Syria's Lebanese Moslem allies, in turn, say the explosions in Christian sectors are symptoms of a power struggle that has continued since Elie Hobeika, the commander of the largest Christian militia, was overthrown in January in an upheaval that left 400 militiamen and civilians dead.

Mr. Hobeika, who had signed the Damascus pact on behalf of the Christians, was replaced as head of the Lebanese Forces militia by Samir Geagea, who rejects any role by the Syrians in Lebanon.

A West Beirut newspaper, al-Hakika, claimed that the car bomb that exploded in the Christian suburb of Dora on Thursday had been designed to kill a rival of Mr. Geagea. The newspaper said the explosion occurred outside the hospital where Fuad Abu Nader was being treated after escaping an attempt on his life.

Mr. Abu Nader, a nephew of Mr. Gemayel, had been wounded in an ambush Aug. 11 during clashes between rival Christian militia factions. He was reported to have been the leader of a mutiny against Mr. Geagea. He was not harmed by the Dora blast.

Nabih Berri, the minister of justice who leads the Shiite Moslem movement Amal, charged that Mr. Geagea was the mastermind of the car bombs in West Beirut. Mr. Geagea was accused of seeking to disrupt a security plan in the Moslem part of the capital that went into force in early July with the help of Syrian soldiers.

Two women have been arrested on the Moslem side. One, Samir Ibrahim, 20, a Moslem, reportedly confessed to planting the car bomb in the Barbir marketplace in West Beirut on July 29.

In the second arrest, a suspect whom the press described as a blonde woman in her late 20s was picked up by the police after witnesses identified her as the driver who parked the car bomb in the Moslem quarter of Tarik Jadidah on Aug. 8. The bomb killed 17 persons. The woman has not been identified.

Bomb in Car Kills Four In France

Reuters

TOULON, France — Four persons, including a rightist political activist, were killed Monday while apparently preparing a bomb attack against Arab immigrants, police said.

The four died when the car in which they were riding exploded in a marketplace in the center of this Mediterranean port.

The blast, at 1:20 A.M., started a fire that destroyed a three-story building. It damaged several cars and shattered windows in other buildings. There were no other casualties.

Police said the car appeared to have been carrying about 11 pounds (5 kilograms) of explosives in preparation for a bomb attack in or near the marketplace, an area inhabited by a large number of Arab immigrants.

They said one of those killed was Claude Noblia, a former member of the rightist National Front. The others were not immediately identified.

Mr. Noblia, a National Front candidate for local council elections in the nearby town of Seyne-sur-Mer in 1983, left the party earlier this year to found his own anti-immigrant organization, called SOS-France.

Police said they found leaflets near the mangled car that bore the name of SOS-France and the slogan, "Hands off our France."

Gerard Julien/The Associated Press

Wreckage of the car that carried a bomb in central Toulon.

The blast occurred near a youth center popular with activists of the anti-racist organization SOS Racism.

There have been a series of attacks this year along France's Mediterranean coast against immigrants from former French territories in North Africa.

Tension over the presence of large immigrant communities in Paris and southern cities such as Marseille has become a political issue. Resentment, aggravated by high unemployment, has focused mainly on immigrants from North Africa.

The government of Prime Minister Jacques Chirac, honoring an election pledge to curb immigration, last month approved a series of measures to control the flow of foreigners and make their expulsion easier.

Manila Threatens Army Deserters; Raids by Marcos Partisans Reported

Washington Post Service

MANILA — General Fidel V. Ramos, chief of staff of the Philippine armed forces, has threatened to court-martial soldiers who fail to report to new assignments.

The warning came amid reports that deserters loyal to Ferdinand E. Marcos, the deposed president, had raided militia posts to assemble arms in an effort to destabilize the government of President Corazon C. Aquino.

General Ramos, in a letter published over the weekend, also urged Mrs. Aquino to broaden the government's inquiry into abuses of human rights by soldiers under the Marcos regime.

He said it should include abuses by Communist guerrillas of the New People's Army, who the military accuses of having killed scores of people and buried them in mass graves in the southern island of Mindanao.

"We view a crime as a crime," General Ramos said, "and therefore a killer, torturer or anybody who ever perpetuated any abuses on human rights must be punished, whether he is a member of the armed forces or of the NPA."

The chief of staff has said that the investigation of the military, in the absence of a corresponding inquiry into the insurgents' behavior, was affecting morale in the 220,000-member armed forces. His earlier request for a broadening of the inquiry was rejected in July.

The military headquarters received reports Sunday that 32 men in soldiers' uniforms had raided two militia outposts in Misamis Occidental province in Mindanao. The reports said one militiaman was killed and 15 rifles taken.

The armed forces did not identify the raiders. Previous incidents of this kind have been attributed to the New People's Army.

The Defense Ministry asserted last week that Marcos supporters had been recruiting soldiers to join their forces, and offering them salaries.

Defense Minister Juan Ponce Enrile has said that no more than 500 Marcos loyalists in the armed forces went absent without leave after Mr. Marcos fled the country in February. But observers say the figure could be much higher.

Most of the men who left their jobs belonged to Mr. Marcos's presidential guard or his security agency. Since his departure, most of them had been posted to the provinces to fight the insurgents.

AP

Fidel V. Ramos

■ Letter From Reagan

The chairman of the Senate Foreign Relations Committee, Richard G. Lugar, delivered a personal letter from President Ronald Reagan to Mrs. Aquino on Monday expressing strong support for her government, United Press International reported from Manila.

Mr. Lugar, who led a delegation to observe the presidential election in February that preceded Mr. Marcos's fall, emerged from a two-and-a-half-hour meeting with Mrs. Aquino and said Mr. Reagan looked forward to meeting her next month when she visits the United States.

"The president, among other things, simply indicated how much he looks forward to entertaining her," said Mr. Lugar, Republican of Indiana. He said Mr. Reagan had also indicated "how strongly he supports this democracy in the Philippines."

Mrs. Aquino will make an eight-day visit to the United States beginning Sept. 15.

Mr. Lugar said he expected that Mrs. Aquino's address to a joint session of Congress on Sept. 18 would be "very helpful" in trying to secure speedy approval of U.S. aid to the Philippines.

As Bedouins Settle, Land Is an Issue

Cairo Asks Proof of Ownership, but No Deeds Exist

By Christopher S. Wren
New York Times Service

NUWEIBA, Egypt — As Ashish Aniz, a wiry young Bedouin, told it, he had built a wall around his new stucco house only to have the Egyptian authorities send a tractor one day to knock it down.

They told him that the land, bordered by stately palm trees and overlooking a crescent of dazzling white beach, was not his unless he had a deed to prove it.

"Those trees are our trees for a hundred years," Mr. Aniz said as he sat on a mat with a couple of visitors, pouring sweet tea from a battered enamel pot. "Now the Egyptian asks, 'I want paper.' Where can I get paper? I think he wants to sell the land to rich people."

The Bedouin nomads once enjoyed unchallenged possession of the desiccated stream beds, wind-sculpted hills and rolling sand dunes of the Sinai Peninsula.

The rhythm of their lives was played out in seasonal migrations on camel and foot. They lived in tents woven from goat hair, tended livestock and gardens scratched from the stony ground and earned their money smuggling contraband through the limestone canyons.

Loyalties were confined to family and tribe, and rarely extended to the successive overseers from Turkey, Britain, Egypt and Israel who claimed political control of Sinai.

Israel's seizure of Sinai from Egypt in 1967 interrupted the free-spirited existence of the Bedouins. Many were clustered into settlements with clinics and schools, the better to monitor them. By 1982, when Egypt had regained the peninsula, it had inherited responsibility for a desert people who had become increasingly sedentary.

The Bedouins, tribesmen whose number in the vast southern Sinai has been reckoned officially at only 12,000, had been seduced from the old nomadic freedoms by the allure of modern conveniences such as cars and electricity.

"I don't want to live in the mountains with the goats like before," Mr. Aniz said. "I want to stay here. We have many people in the village, enough for a school."

In Nuweiba, a sleepy seaside town on the Gulf of Aqaba, the Egyptians assert that some Bedouins have grabbed prime beachfront in anticipation that its value will rise once tourism is revived.

Christopher S. Wren/The New York Times

Ashish Aniz with his camel outside his house in Nuweiba.

The Bedouins, whose people migrated mostly from Saudi Arabia into Sinai, say the land was divided among their tribes, sometimes after bloody disputes, long before the Egyptians cared.

The governor of the southern Sinai, General Mohammed Nur Eddin Afifi, said in an interview that land claims constituted one of his government's main problems with the Bedouins.

General Afifi said a law had been enacted recently that would recognize a Bedouin's claim if he could show that he or his forebears had cultivated the land around the house. Survey teams would be dispatched to verify the claims.

But local residents have felt frustrated dealing with the Egyptian bureaucracy.

"We have a paper," a woman said, "but it just says you own land. It doesn't say where or how much."

A year ago, she said, the government sent someone to measure her husband's land. "We haven't heard anything since," she said.

The Bedouins express mixed feelings about the transition from Israeli rule back to Egyptian rule.

Alami Suleiman recalled arguing about identification papers with an Israeli plainclothes policeman who then slapped him. He said he pulled his knife and stabbed the Israeli in the shoulder.

"I spent two years in jail in Beersheba," he said.

But the Bedouins also say the Israelis introduced schools and health services, and they say they miss the money that they used to earn guiding tourists.

Tourism from Israel, which had begun to decline, all but stopped after an Egyptian border policeman went berserk and killed seven Israeli tourists in October at Ras Burka, north of Nuweiba.

The Israelis considered the Bedouins exotic, but the Egyptians tend to look upon them as inferior.

Several Bedouins sitting in the shade of a lean-to made of palm fronds said the Egyptian authorities had begun to truck water to their village of sunbaked houses, but had yet to hook up electricity to an existing power line.

They expressed little affinity for Cairo.

"The Bedouin is not Egyptian," a young man in a white cotton headdress said. "The Sinai is not Egyptian or Israeli. It is Bedouin."

South Africa Says 8,501 Are Detained

The Associated Press

CAPE TOWN — The South African minister of law and order, Louis Le Grange, said in Parliament on Monday that 8,501 people were being detained under the nationwide state of emergency.

It was the first acknowledgment by the government that thousands of people have been detained since the state of emergency was imposed June 12. Mr. Le Grange filed a 171-page report listing the names of the detainees.

Emergency rules prohibit the press from revealing the names.

The government, meanwhile, said on Monday that the African National Congress was responsible for the land mine explosions that killed three black women and two babies Sunday.

Commenting on a series of such explosions, the deputy information minister, Louis Nel, said:

"The succor and the tacit support given to the perpetrators of these murders, friends of the Ted Kennedys, Hawkes and Bill Grays, again demonstrate the double standards applied to South Africa."

Senator Edward M. Kennedy, Democrat of Massachusetts, and Representative William H. Gray 3d, Democrat of Philadelphia, who is black, are supporters in Congress of economic sanctions against South Africa to protest apartheid.

Prime Minister Bob Hawke of Australia and other Commonwealth leaders recently supported sanctions against South Africa.

WORLD BRIEFS

Thai Deadline Unrealistic, UN Says

BANGKOK (Reuters) — Countries involved in resettlement cannot meet Thailand's year-end deadline for moving 26,000 Cambodian refugees out of a camp it wants to close, the United Nations High Commissioner for Refugees said Monday.

Gerald Walzer, the UN agency's representative in Thailand, said 5,000 Cambodians at most might be resettled by the end of this year. Thailand said in June that it would close Khao I Dang, near the Thai-Cambodian border, at the end of 1986 and send the refugees to other camps where they would not be eligible for resettlement.

Mr. Walzer said in an interview with a newspaper here that embassies involved in resettling the refugees probably could not meet the Jan. 1 deadline and would have to appeal to Thailand for more time. Since 1975, the United States has resettled about one million refugees. Britain, Australia, Canada, France and other countries have also taken in large numbers.

Vietnam Invites Talks With China

BANGKOK (UPI) — Vietnam is ready to talk with China "at any level and anywhere" about normalizing relations, according to a communiqué issued after a meeting of foreign ministers of Vietnam, Laos and Cambodia.

The communiqué, issued last week at the end of a two-day meeting, was broadcast Monday on Vietnam's official radio, monitored in Bangkok.

The statement said the three countries "strive persistently for the normalization of relations and re-establishment of good neighborliness" with the people of China. China and Vietnam fought a monthlong war in 1979 and have reported frequent border clashes since then.

2 Sri Lankans Freed in Hamburg

HAMBURG (Reuters) — Hamburg police have released two Sri Lankans who admitted organizing a clandestine voyage of 155 Tamil refugees from West Germany to Canada, the public prosecutor's office said Monday.

The two Sri Lankans confessed to arranging the trip and charging the Tamils 5,000 Deutsche marks ($2,500) each to take them to Canada. A police spokesman said the two could be charged in connection with smuggling the Sri Lankans out of the country and could face other, unspecified, charges. The spokesman said the two were ordered not to leave Hamburg.

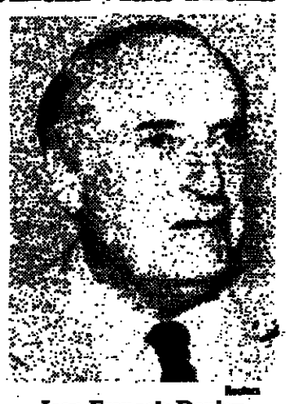
The police also identified the 425-ton freighter Aurigae as the ship that took the refugees from the north German port of Brake to the coast of Canada, where they were left in lifeboats off Newfoundland and rescued by fishermen Aug. 12. A spokesman said the police would like to question the captain and owner of the vessel, Wolfgang Bindel, who denies involvement in the affair. A Bremerhaven port official said the Aurigae was expected to return there in a few days.

French Assembly Official Visits Tirana

VIENNA (AP) — Jean-François Denian, deputy chairman of the Foreign Policy Committee of the French National Assembly, completed a visit to Albania on Sunday, the Albanian news agency ATA reported Monday.

Mr. Denian, who served as foreign trade minister under the former president, Valéry Giscard d'Estaing, visited the capital of Tirana as well as Durres, Gjinokastra, Saranda and Kruja. ATA did not provide other details of Mr. Denian's trip.

Last year, Jean-Michel Baylet, then a state secretary in the Foreign Ministry in Paris, was the first member of a French government to visit Albania at the head of an economic delegation.



Reuters

Jean-François Denian

Soviet Ship Carried Heroin, Dutch Say

ROTTERDAM (Reuters) — A huge shipment of heroin seized by the police in Rotterdam two months ago originated in Afghanistan and was brought to the Netherlands aboard a Soviet ship, the police said Monday.

The 220 kilograms (485 pounds) of heroin, with a street value estimated at $20 million, arrived in Rotterdam from the Soviet Baltic port of Riga hidden in containers of Afghan raisins, a police spokesman said. The Dutch police, led to the shipment after a murder in Amsterdam, believe it was Europe's biggest heroin seizure, but they have not traced the traffickers who sent it.

The spokesman said the shipment was unloaded June 2 from the Soviet freighter Kapitan Tomson, which left Rotterdam the following day. No approach has been made to the Soviet authorities, the Dutch Justice Ministry said.

Israel to Deport 2 in Sect, Lawyer Says

JERUSALEM (Reuters) — Israel planned to deport two American members of the Black Hebrews sect Monday after they lost a court bid to remain in the Jewish state, their lawyer, Mark Leve, said. He said that four more Black Hebrews would be put on flights to New York later in the week.

The sect, which is based in Chicago, claims to be descended from the Israelite tribe of Judah. Israel disputes the claim and says that members of the sect do not qualify for immigrant status under the Law of Return, which grants automatic citizenship only to Jews.

In April, Israeli authorities arrested and issued deportation orders to 46 members of the sect. In June, the Supreme Court rejected an appeal by the 46 to have the deportation orders canceled.

U.S. Plans New Troop-Defense System

WASHINGTON (Reuters) — Pentagon officials have approved the initial development phase of an $11-billion plan to protect U.S. ground forces from attack by helicopters and aircraft, the army said Monday.

The army said it hoped to field the forward area air defense system, or FAAD, to all of its divisions in 1991. The system would use guns and missiles coordinated by high-technology command-and-control networks. Among components that could become part of the system are fiber-optic guided missiles that can fly six miles (10 kilometers) over hills and out of sight of their operators to seek and destroy helicopters.

For the Record

The ninth game of the world chess championship between the champion, Garri Kasparov, and Anatoli Karpov was postponed Monday when Mr. Karpov took a time out. The next game is now scheduled for Wednesday. Mr. Kasparov won the eighth game in London on Friday and leads by four and a half points to three and a half. *(AP)*

More than 38,000 workers were to end their strike against New York Telephone Co. after their union agreed Monday on a three-year contract. The strike began Aug. 10. *(UPI)*

Australia Pulls Out of U.S. Maneuvers

The Associated Press

CANBERRA, Australia — Australia, angered by recent U.S. commercial moves, announced Monday that it was pulling out of a planned military exercise with the United States because it could not afford to pay for the maneuvers.

Defense Minister Kim Beazley said participation in the exercise Sept. 5-20 in the Philippines, designated Cape Thunder, had been "deferred" in favor of another exercise in May 1987.

Australian officials, expected to reveal soon an austere budget, have voiced resentment over sale of subsidized wheat to China and the Soviet Union, which are also Australian markets.

Foreign Minister Bill Hayden warned Sunday that trade problems with the United States would affect Australia's ability to maintain its strategic responsibilities.

Mr. Hayden said that the less Australia earned because of losses in wheat sales, "the less money we have to buy defense equipment, to operate in a strategic role and to participate in exercises."

Australia has participated in other Cape Thunder exercises in the past, using Mirage fighters, F-111 bombers and C-130 transports. The deployments are staged out of the U.S. Clark Air Base in the Philippines.

"We won't be able to afford to buy helicopters or fly our aircraft as much as we want to," he said, "or go out on maritime surveillance patrols, which means in turn that the Americans will have to try to fulfill that role more themselves."

Treasury officials in Canberra, the federal capital, said the government had to save money somewhere and this was an obvious area.

Australia's Labor government is expected to introduce tough spending cuts and a sharply reduced deficit when it publishes its new budget Tuesday.

Prime Minister Bob Hawke has seen his party's popularity slip in the polls to its lowest levels since it swept into office more than three years ago.

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U.S. Burglars Make Out Like Bandits and Police Are Left Behind to Dust

By Todd S. Purdum
New York Times Service

NEW YORK — He has lifted fingerprints from windowsills and doorjambs, from lacquered jewel boxes and glass coffee tables — thousands of fingerprints from thousands of burglarized apartments in New York City in the last 11 years.

But in all that time, Officer William McNally, a fingerprint expert in the 20th Precinct on the Upper West Side of Manhattan, has handled only one case in which stolen property was found and returned to its owner.

"If you don't catch them in the act, it's awful hard to get property back," said Officer Robert Manzi, who works with Mr. McNally, dusting black carbon and white chalk powder at burglary scenes in the hope of identifying suspects. "Burglarized items seem to disappear from the face of the Earth."

Last year, property valued at $212 million was reported stolen in burglaries in New York City, but only about $2 million worth was recovered. The police say little of the recovered property is ever matched with its owners.

Last year 126,028 burglaries were reported in the city, and the odds are that the victim never saw a detective, let alone his possessions or a suspect.

Despite increased efforts by the police in the last five years to respond in person to small residential burglaries, most investigations are closed after no more than a routine visit by a patrol officer and a second visit, within several days, by a fingerprint-taker like Mr. McNally.

Even when fingerprint officers respond, they are able to take usable prints in only 1 of 10 cases. Of those, about 3 percent result in arrests. However, there are arrests in many other cases when fingerprint officers are not involved.

Unless someone was home during the crime, or there are other witnesses, or more than $5,000 in property was taken — $10,000 in Manhattan — or unless the burglary appears to have been part of a neighborhood pattern, detectives do not investigate.

Of the 126,028 burglaries reported in the city last year, about 70 percent were in houses and apartments. In the same period, 10,820 arrests for burglary were made.

The arrest rate is worst in large cities like New York, according to the Federal Bureau of Investigation. Nationwide, about 14 percent of reported burglaries are "cleared" by arrests of suspects; while in cities with populations of more than one million, only about 10 percent are cleared. In cities with populations under 10,000, the clearance rate is 17 percent.

After declining 39 percent, from a record 207,931 reported burglaries in 1981 to last year's total, burglary, like reported crime in general in the city and nation, has been rising in recent months. It increased 2.8 percent in the first five months of this year in New York from the like period in 1985.

Part of the difficulty of recovering stolen property, the police say, is that burglars — typically young men in their 20s, who commit as many as five thefts a day — work quickly to dispose of their loot through a network of middlemen, or fences, and tracing the property becomes difficult. Among the items most often stolen are videocassette recorders, cameras, stereos and jewelry.

Walt Grachom/Reuters-UPI

A brick wall collapsed onto a car during the storm in Nags Head, North Carolina.

Storm Kills 4 on U.S. Atlantic Coast

The Associated Press

OCEAN CITY, Maryland — A hurricane designated Charley buffeted the mid-Atlantic states Monday, churning the ocean and forcing the evacuation of thousands of coastal residents after dumping torrential rains on North Carolina's Outer Banks.

The storm, with 75-mph (121-kph) winds was blamed for at least four deaths, the authorities said. By midmorning, as the hurricane headed northward over cooler waters, its power was diminishing.

The death toll included three persons aboard a small plane that crashed Sunday into the Chesapeake Bay near Baltimore during a storm spawned by the hurricane.

A Manteo, North Carolina, woman died when her car apparently slipped into a canal Sunday on an Outer Banks causeway, the state police said.

The hurricane caused power outages and flooding of up to three feet (almost one meter) Sunday on North Carolina's Outer Banks, but little damage. As many as 10,000 tourists and residents fleeing the sand islands jammed roads to the mainland for a brief evacuation.

The hurricane knocked down trees and signs in Virginia Sunday evening and left about 110,000 people without power, the authorities said.

Hurricane warnings were in effect Monday from Cape Charles, Virginia, to Sandy Hook, New Jersey. Less severe hurricane watches were in effect from Sandy Hook to Chatham, Massachusetts.

Heavy Opposition Expected Before Adoption of Tax Bill

By David E. Rosenbaum
New York Times Service

WASHINGTON — Leading congressional advocates and opponents of the historic tax revision bill that House and Senate negotiators have approved said Sunday that the measure would almost certainly be enacted this fall but not without further struggle.

The bill would bring about the most comprehensive restructuring of the federal income tax law since World War II. Its reverberations would be felt in nearly every household and business and throughout the nation's economy.

In a statement from Santa Barbara, California, where President Ronald Reagan is on vacation, he said the conference agreement Saturday "satisfies my requirements for meaningful tax reform."

He called it "a triumph for the American people and the American system, good for the economy and good for the taxpayer."

The measure, if approved, will generally become effective Jan. 1, and the new tax rules would first be reflected in tax payments due in April 1988.

When Congress returns from its three-week recess, the legislation will face single up or down votes in the House and Senate, with no amendments allowed.

Senator John C. Danforth, Republican of Missouri, the most outspoken critic of the tax package at the final meeting of the conference committee, said he would try to organize other lawmakers and commercial interests against the bill.

The conferees, led by Senator Bob Packwood, Republican of Oregon, and Representative Dan Rostenkowski, Democrat of Illinois, did not reach final agreement until nearly midnight Saturday.

Two days earlier it appeared that the effort might come unhinged. A $17-billion, five-year shortfall arose Thursday night when new revenue estimates became available.

But this proved not to be as difficult to overcome as feared. Staff members said the money was found mostly by adjusting tax brackets and by taking small amounts from many different deductions.

Preliminary counts in the House show that a sizable majority of Republicans and many Democrats, led by the majority leader, Representative Jim Wright of Texas, plan to vote against the measure.

The bill follows the same principles as the legislation the president submitted to Congress last year. The bill dramatically lowers tax rates and eliminates or restricts many deductions and other tax preferences.

It would raise business taxes by about $120 billion over five years and reduce the taxes paid by individuals by a like amount, just as Mr. Reagan urged. But the bill differs from Mr. Reagan's plan in many important respects.

The conference agreement would retain deductions for state and local income and property taxes; the president would have disallowed them.

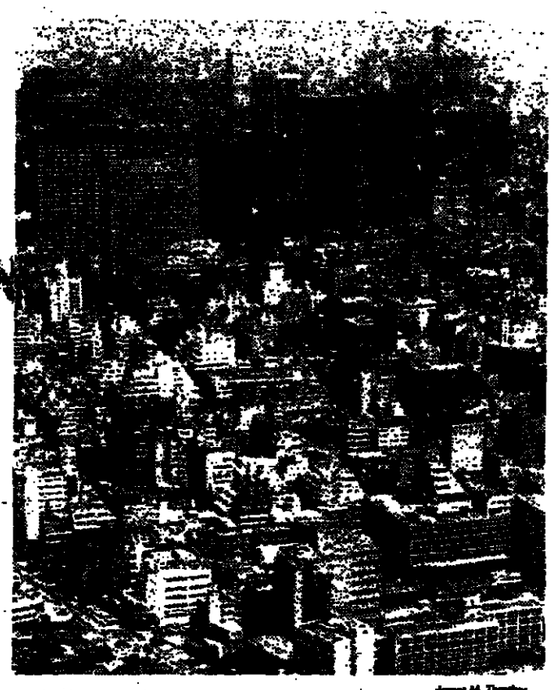
It would raise the maximum tax rate on capital gains to 28 percent from 20 percent; the president would have lowered that rate. It would sharply restrict the availability of deductions for contributions to Individual Retirement Accounts; the president would have expanded the deductions.

Perhaps most important, the tax relief contained in the legislation is more heavily weighted toward taxpayers with low and modest incomes and is much less favorable to the well-off than the president's plan.

Under the bill, taxpayers with incomes above $200,000 a year would receive a tax cut averaging about 2 percent a year after next year, compared with about 11 percent under the Reagan proposal. That is true largely because of the way the bill would raise taxes on capital gains and end tax shelters.

While almost nine taxpayers in 10 would eventually pay lower taxes under the bill than they would if the existing system were unchanged, most people with total incomes above $75,000 face a tax increase on next year's income.

For those with incomes of $200,000 or more, next year's increase will exceed 10 percent.



Jeannet M. Thrasher

The modern industrial affluence of Seoul, population 10 million, coexists paradoxically with older patterns of rule.

KOREA: *South Is Increasingly Questioning Need for Authoritarian Rule*

(Continued from Page 1)

the government and the opposition.

The country today has the institutions of democratic government, but power centers on one man, Mr. Chun. As an army general, he seized control in stages after the 1979 assassination of another general-turned-president, Park Chung Hee.

When citizens in the city of Kwangju, an opposition stronghold, rose up in revolt in 1980, Mr. Chun sent in troops. By official count 191 people died.

Later he left the army, declared himself president and then wrote a new constitution and ran for a seven-year term. To no one's surprise, he won.

Today, South Korean television portrays Mr. Chun as a remote, benevolent man who dispenses wisdom. Nightly, he is seen visiting construction sites, factories or military outposts to exhort new effort.

"We should not relax, not even for a minute, in the next two or three years," he declared during a recent inspection trip.

By many measures Mr. Chun should be popular. The economy is stable, inflation is low, health standards are improving, telephones are proliferating and the Olympics are coming.

But Mr. Chun is not liked, something his own officials concede. When asked what they think of him, normally garrulous Koreans fall silent.

"I can't answer that," said a Seoul office worker. "But please think about why I can't."

Mr. Chun discourages dissent. Closing a literary journal, raiding an art exhibit or questioning people who visit a labor organizing center are typical of the ways in which it is done.

Visitors to Seoul notice plain-clothes policemen, wearing windbreakers and jogging shoes, loitering near subway stations, dissident offices and the headquarters of the opposition New Korea Democratic Party.

These daily sights reinforce the views of millions of South Koreans that Mr. Chun has no legitimate claim to office.

Their antagonism toward him is heightened by his origins. His father was a soldier, his mother farmed. Traditional Korean views hold these to be lower-class occupations.

Yet he showed flexibility in agreeing to negotiate constitutional change. In a few corners of society he has allowed more freedom of thought than did President Park. Most important, he has promised to leave office voluntarily in 1988; even the opposition politicians now believe him, although they say he intends to keep control from behind the scenes.

"His goal is to win respect in the history books," said a Western diplomat. Mr. Chun is determined that the world will be impressed when it looks on South Korea for the 1988 Olympics. This could be a crucial element in how he handles the opposition, making him more reluctant to deal out force and repression as the date approaches.

Ultimately, Mr. Chun justifies all of his controls by the threat from North Korea. The opposition rejects that logic.

"For more than 30 years, we've been hearing about this invasion, but it's never happened," said Kim Young Sam, a senior opposition politician.

He and others suggest that authoritarian rule undermines security by sapping public morale. Democratic government, the opposition argues, would make people feel that they had something to fight for. West Germany, with its stable democracy, prosperity and comparative lack of fear of East Germany, is cited.

Mr. Chun is under fire from three groups: opposition politicians, church organizations and radical students. They work in loose alliance, not fully trusting one another but willing to cooperate to replace the man they call a military dictator.

The opposition politicians are grouped into the New Korea Democratic Party, which controls 90 of the 275 occupied seats in the National Assembly.

Many of its members have gone to jail for their beliefs. Early this year the party concluded that the assembly was a dead end for its goal of replacing Mr. Chun and moved onto the streets with an unprecedented national petition drive to demand a constitutional amendment for direct presidential elections. The current electoral college system is open to manipulation by the "dictatorship," they say.

They were joined by many members of the 10-million-member Christian community, which historically is a force for social change. Protestant ministers praised the drive before their congregations. Catholic priests signed the petition en masse at Myongdong Cathedral in Seoul.

Mr. Chun at first responded with arrests and suppression. Then he surprised many people by taking an unusual step back.

On April 30 he invited opposition party leaders to lunch at his heavily guarded official residence, the Blue House, and agreed to begin negotiating the change. A joint committee is now negotiating it in the National Assembly, and the opposition party has called off its street campaign.

The students have not, however. Nearly one million people are in universities in South Korea. Probably fewer than 10,000 take part in the ritual melees that are played out almost daily on campuses.

The students began stepping up pressure in May last year, seizing buildings, sending "ideology" letters to farmers and other students, attacking police lines.

Labor groups picked up the pace, too. Radicals appear to have planned the May 3 riot in Inchon, the most serious civil disturbance in South Korea since the Kwangju revolt of 1980.

The police have responded with waves of arrests. In May last year, there were about 125 people defined by the opposition as political prisoners. Today the figure is 1,150, with no end in sight.

The radicals also hate the United States intensely.

"You can't say our nation is independent," said an activist in Seoul. Americans and Japanese are held to exercise strangulation control over the economy and the government.

Anti-American views were reinforced in May when Secretary of State George P. Shultz, at a press conference during a visit to Seoul, expressed satisfaction with Mr. Chun's pace toward democracy and questioned whether direct presidential elections were really the key to democracy.

Pressure from Washington for new trade concessions from South Korea has also kindled anti-American feelings.

This has not stopped the opposition from dreaming of the day when Washington will drop its support for Mr. Chun, the way it moved away from President Marcos in the Philippines.

U.S. officials argue that their influence in South Korea is overstated. In general, they counsel the government in the direction of moderation, arguing that suppression of dissent will only benefit the radicals.

For the present, the truce between the government and the opposition is holding.

Mr. Chun's Democratic Justice Party, however, has taken over much of the opposition's rhetoric. Its spokesmen say that events of the spring made them see the light, that "one-man rule" is the chief political problem here.

It is proposing a cabinet form of government, with a prime minister to be selected by the National Assembly.

The opposition party, meanwhile, is crying foul. It continues to demand a system headed by a directly elected president, saying that Mr. Chun's group could manipulate the assembly but not a direct vote.

"We need strong government to effectively control the military and to have a strong defense posture against the North Korea threat," declared Kim Dae Jung, a leading opposition figure.

Whether the South Korean military would submit to that "control" remains the great unanswered question.

Its generals rarely meddle in day-to-day politics. But by many accounts, they would quash any arrangement that radically altered their idea of good government.

TOMORROW: The South's "economic miracle."

Chun Backs Old Ally to Succeed Him

By John Burgess
Washington Post Service

SEOUL — Nothing is official, but people no longer speculate on who President Chun Doo Hwan intends to be his successor.

Roh Tae Woo, Mr. Chun's classmate three decades ago at a military academy and today chairman of the ruling Democratic Justice Party, has all the marks of an actor selected for the big part.

When 12,000 party members gathered for a three-day retreat in late July, Mr. Roh was the focus. He marched at the head of an evening torch procession, as ranks of admirers chanted his name.

For the past year Mr. Roh has been Mr. Chun's trusted assistant in political dealings.

It is Mr. Roh who meets with opposition leaders in gritty bargaining sessions, while Mr. Chun assumes an imperial detachment. It is Mr. Roh who does the detailed work on policy changes and internal party shuffles.

The two men graduated together from South Korea's military academy in 1955. Later, they attended a special warfare training course at Fort Bragg, North Carolina, and in the late 1960s they served together with Korean forces in South Vietnam.

When Mr. Chun began his bid for power in Seoul after the 1979 assassination of President Park Chung Hee, Mr. Roh played a key role by bringing an army division under his command to the capital in support of Mr. Chun.

Later, as Mr. Chun's choice for the sensitive job of commanding the military forces in the Seoul area, Mr. Roh told an interviewer that the Korean military should not dabble in politics.

But in June 1981 he traded in his uniform to assume the civilian posts of minister of state for political affairs, sports minister, chairman of the Olympic Games organizing committee, interior minister and chairman of the ruling party in almost dizzying succession.

Asked earlier this year about his original view that military men should stay out of politics, Mr. Roh said, "My mind has not changed at all." He insisted that the demands of the situation, rather than personal ambition, had propelled him to his present political position.

"We did not grasp political power," he said. "It was entrusted to us. I could not decide my destiny by myself."

He is still viewed as very much the military man at heart, but one who has shed much of that image in the public eye.

Analysts consider it unlikely that he would be markedly different from Mr. Chun in office, though he is considered to be more comfortable in the personal dealings so important in Korean political life.

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Published With The New York Times and The Washington Post

. . . the Bottom of a Well

Crude oil prices fell from more than $30 a barrel to less than $10 a barrel in six months. A shaky agreement by the OPEC cartel to cut supplies sent prices back to about $15 last week. Which of these movements helps the world? Opinions differ strongly. Truth, said Democritus, lies at the bottom of a well.

When the Organization for Petroleum Exporting Countries raised prices steeply in 1973 (OPEC I) and again in 1979 (OPEC II) the effects on the world were disastrous: Inflation soared and growth plummeted. The recent price collapse is thus viewed by some analysts as a dynamic development, with cheaper fuel attenuating inflation while enabling people to spend more on other things. But others argue that, in a world not far from recession, the falling income of the oil producers will breed world deflation, and that the recent recovery of the oil price puts some sort of floor under global demand.

The truth, in the short term, seems to be that when an important price changes, economic growth falls faster in the afflicted countries than it rises in the beneficiaries. This was as true when oil prices collapsed this year (OPEC III) as it was after OPEC I and II. Eventually, one supposes, demand in the countries benefiting from cheaper oil will rise, offsetting the present drag caused by the impoverishment of oil exporters.

But on a worldwide basis it is not clear that falling oil prices will make economic activity higher than it would have been had those prices stayed stable. This would happen only if the marginal propensity to spend were higher in the oil-importing countries than in the OPEC nations, or if governments seized the chance of falling oil prices to relax their anti-inflationary policies. Both are improbable.

Whether the recent rally in oil prices will last must also be doubted. It relies on voluntary quotas to restrain supply. For producers whose incomes have recently been halved, quotas tend to become something that should limit others. It is also hard for OPEC to perform effectively as a cartel when it no longer controls more than 40 percent of the non-Communist world's oil supply.

We think the world should focus less on the uncertain short-term implications of oil prices and more on the problems in years to come. Energy needs are going to rise. Non-OPEC supplies of oil may fall. Alternative energy sources are problematical: Chernobyl hardly helped the nuclear industry. If oil prices stay low for long, a new energy crisis (OPEC IV) becomes increasingly likely, because the alternative sources will seem unprofitable and the move toward energy saving, so striking in recent years, will slow. Weak energy prices threaten a replay of 1973 and 1979 a few years from now.

The oil price may be one of the very few things that cannot safely be left to the market. The lead time for energy development is long, and short-term price movements can be misleading. Intelligent official intervention is needed. It would be sensible for OPEC members and other countries to plan together, but this seems out of reach. Failing this, the best the oil-importing countries can do is to try to stabilize energy prices within a narrow range, avoiding big swings either way. To do this, they would have to use the tax weapon, probably raising the price of energy to the consumer, which would not be popular. But a new large oil-price increase some years hence — OPEC IV — would prove less popular still.

INTERNATIONAL HERALD TRIBUNE.

Shuffle on the Shuttle

Six months after the loss of the space shuttle Challenger, the White House has ambled to a sort of decision on whether to replace it. It is not a real decision, just a way to keep shuffling forward without a long-term space policy.

The original issue, lost in the shuffle, was whether to build a replacement orbiter in three years. That would have cost real money and forced a decision about NASA's future. Instead, the White House has opted for an orbiter that will not fly until 1992. No big down payments are needed immediately. NASA can continue in its old ways.

Why is that such a disaster for space? Because it commits NASA to a failed policy — reliance on the shuttle as the only way to space. Paying for shuttles will now consume too much of the agency's budget, leaving little for expendable rockets, for a reusable unmanned vehicle, or for pushing the frontiers of technology as NASA once did.

The shuttle, intended to be a cheap, reliable means of putting payloads in space, has proved horrendously expensive and a hazard to its crew. President Reagan has conceded that very point by banning most commercial satellites as future cargoes, repudiating the chief purpose of the shuttle fleet as he chooses to expand it. In thus settling for a fourth orbiter, Mr. Reagan has mortgaged NASA's future to its past.

How did such a diffident decision come about? Probably because the Office of Management and Budget only cared that NASA not spend more, because the Pentagon felt it might as well have a new orbiter if someone else paid, and because NASA wanted it. In vain did Donald Regan, the White House chief of staff, press NASA to explain why it made sense to enter the 21st century with 1960s technology.

Binding NASA to its past means that leadership in space probably will now pass to the air force, which has a rational space policy. Well before the shuttle disaster, Edward Aldridge, then undersecretary of the air force, overruled NASA's vehement objections and obtained funds to build heavy-duty rockets. He rightly sought to reduce air force reliance on the shuttle to launch vital reconnaissance satellites. Recently the air force courageously decided to mothball the $3-billion Vandenberg shuttle base and rely on rockets to put cargoes into polar orbit. Since the Kennedy launch site cannot handle more than three shuttles, that removes the real need for a fourth.

The air force is funding research on a reusable unmanned space shuttle, the best hope of providing cheap access to space. The companies that win its contracts for expendable rockets will be best positioned to enter the commercial market.

Since NASA is to be excluded from launching most commercial satellites, what will it do with its shuttles? Astronomers fear what some call forced busing — they will still be compelled to design their planetary spacecraft for the shuttle instead of the cheaper expendable rockets they would prefer. If so, the air force may become the patron of space science too. Still, a civilian space agency that knew where it was going would be so much better.

— THE NEW YORK TIMES.

Congress: Status Report

Congress has gone home for three weeks with most of the year's important business still undone. The argument can be made, and will be, that it is leaving behind a mess. We are not so sure.

The one view will be that:

- The members had been counting on the Gramm-Rudman-Hollings process to cut the deficit for them while they looked the other way. When the Supreme Court took the knife out of Gramm-Rudman-Hollings, their only thought was to repair it lest, Heaven forbid, they be called upon to do the dirty work themselves.

There are four legislative weeks left until the next fiscal year, and not a single appropriations bill has been enacted. The supposed savings in the reconciliation bills that cover programs outside the appropriations process are evaporating. The tax conferees have reached agreement. But enormous differences remain between the houses, and between both houses and the president, on military spending. While several other important bills have reached the conference stage, the conferees have reached final agreement on none. And on the strength of these accomplishments the members are going off to vacation and campaign.

Here is a different view:

- The two houses have adopted a budget that commits Congress to an enormous swing in fiscal policy, from an expected budget deficit of $230 billion this year to $155 billion in the year ahead.

The main element in this is a leveling-off of the military buildup — and while President Reagan continues to protest, and there are major differences between the two defense bills, on this most important point the two houses largely agree.

- It has been agreed that domestic programs will have to be held close to this year's levels in the year to come. The House has passed 10 of the 13 appropriations bills for next year, and with few exceptions they pass this test. The Senate, for its part, is likely to bundle most of its bills into one.
- The reconciliation bills have lost value partly because the administration has beaten Congress to the punch: It already has made, by regulation, some of the larger spending cuts that the bills envision. This is particularly true of Medicare. The issue is less one of retreat than of accountancy.
- Congress, on its return, probably will find itself about $10 billion over its deficit target. That is an amount it can get. Among other things, the tax bill will still be at hand. It will pick up some revenue next year. Up to now, that has not been counted against the deficit; it could be. The problem would then be in later years, when the bill would lose money. But these losses could be offset.
- The tax bill is a historic accomplishment, a transformation of the main way the government raises money. The returning Congress also should be able to agree on higher education, the Superfund for cleaning up toxic wastes, and perhaps new water policy and pesticide bills. All are important.
- Of course Congress may also do almost none of this; the caricature may hold. But there will be plenty of time to denounce it if this happens. There is still hope.

— THE WASHINGTON POST.

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Directeur de la publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx: RS56928
Managing Dir. Asia: Malcolm Glenn, 50 Gloucester Road, Hong Kong. Tel. 5-8610616. Telex: 61170
Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009
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OPINION

In a Trade Crisis, Soviet Rethinks Arms Plans

By Jan Vanous

This is the first of two articles.

WASHINGTON — The Soviet Union is facing a severe trade crisis, one that could force major changes in its foreign and domestic policies.

The crisis stems from the collapse in oil prices on the world market, which has meant an unprecedented shortfall in hard-currency export earnings for the Soviets and a prospective decline in ruble earnings from exports to Eastern Europe.

The fall in export earnings, in turn, is forcing Moscow to reduce its imports of Western machinery and equipment and to limit imports of these goods from Eastern Europe over the next five years. The downward slide of exports and imports threatens Mikhail Gorbachev's ambitious modernization program. Just to maintain imports at last year's level, the Soviets probably will have to borrow $25 billion over the next five years, nearly doubling their gross foreign debt.

Even with this heavy borrowing, Moscow will not be able to afford increased imports of Western machinery to modernize the economy. To save the modernization program, Mr. Gorbachev will have to change the division of the economic pie, cutting the growth of arms production to free capacity for production of civilian machinery.

Mr. Gorbachev's realization that he soon will have to choose between tractors and tanks has forced him to show much greater flexibility in arms negotiations. If the Reagan administration does not overplay its hand and succumb to the temptation to play it tough, it can probably secure major concessions in arms bargaining.

Mr. Gorbachev's economic strategy has four basic objectives, at least three of which are threatened by the trade crisis. The goals include:

- Accelerating economic growth. The plan for 1986-90 calls for yearly growth of net material product (roughly corresponding to Western gross national product) of 4.1 percent, compared to an average rate of growth of 3.1 percent under the 1981-85 plan. These plans were based on export and import targets that now appear unattainable.
- Improving labor productivity. Soviet leaders agree they need better management, a more enthusiastic and better disciplined labor force, and above all, new investment in plant and equipment. Gross investment in fixed capital is slated to rise 10 percent this year, remain steady in 1987, then increase by 2 percent per year from 1988 to 1990.

It originally was hoped that sharply increased imports of capital goods from Eastern Europe and the West would be key ingredients of the modernization program. But the collapse of Soviet hard-currency export earnings and looming difficulties in trade with Eastern Europe are pushing the Soviets to rely mostly on domestic resources.

- Improving the quality of production. Most Soviet products are outdated in design, break down too often and waste valuable inputs such as metals and energy. Quality control and efficient production will be given much greater attention. The Soviets would find it easier to raise production standards to Western levels if they could purchase new capital equipment from the West.
- Assuring an adequate Soviet defense capability. Mr. Gorbachev will not sacrifice this issue simply to improve the performance of the civilian economy. But the Soviets appear inclined to offer what in their terms are unprecedented concessions in arms negotiations in order to cut their defense burden and avoid having to mount a full-scale counterpart to the Strategic Defense Initiative.

As a major oil exporter, the Soviets have been stunned by the sudden decline in oil prices. Oil and gas account for 60 percent of their exports to the non-Communist world.

As of mid-1986, they are receiving $10 to $12 per barrel, down 60 percent from an average of $27.50 per barrel in the fourth quarter of 1985. Since natural gas prices are also falling rapidly, the Soviets face an unprecedented deterioration in their terms of trade.

The Soviet trade crisis is compounded by the sharp drop in the value of the dollar. That is because most Soviet exports are priced in dollars, while the prices of most Soviet imports are based on West European currencies that have risen sharply against the dollar in recent months.

As of July 1986, it took almost five times more barrels of Soviet oil to purchase a given piece of West German machinery than it did in early 1985, though the dollar price of Soviet oil has fallen by only 60 percent.

The writer is research director of PlanEcon Inc., an economic consulting firm that specializes in the Soviet Union and Eastern Europe. He contributed this comment to The Washington Post.

A Two-Handled Monkey Wrench in Arms Control

By Hugh de Santis

WASHINGTON — While the recent exchange of arms proposals between Washington and Moscow may suggest a narrowing of differences in Geneva, it has increased tensions between liberal arms controllers and their opponents in the United States. Arms control advocates such as the SALT-2 negotiator Paul Warnke suspect President Reagan and his hard-line advisers of scheming to enlist the Soviet Union as an accomplice to the abrogation of the ABM treaty. Anti-Soviet hard-liners such as Seymour Weiss accuse the liberals who have responded positively to Moscow's June 11 proposal of indirectly conspiring with the Soviet Union to kill the Strategic Defense Initiative. In such a situation, both sides, each for its own reasons, might be able to prevent any arms control agreement until the end of the Reagan presidency.

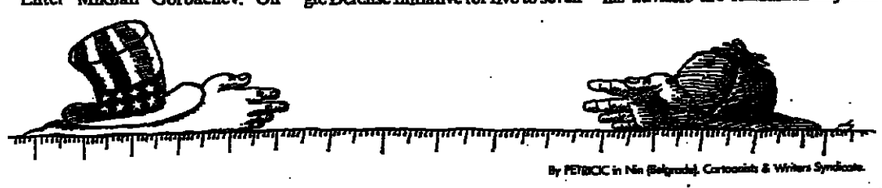
For the first five and a half years of the Reagan era, liberals and neoconservatives practiced the politics of cohabitation on arms control. While lamenting the lack of progress in Geneva, liberals took solace in the fact that the Reagan administration at least agreed to abide by existing arms control treaties, notably the unratified SALT-2 accords. Neoconservatives, for their part, while seeking to unchain the American Prometheus from its strategic arms commitments, rejoiced that President Reagan steadfastly refused to enter into new agreements with Moscow. In their view, this would weaken further the already vulnerable American deterrent.

This implicit compromise began to unravel on May 27. On that day, Mr. Reagan announced that the United States no longer felt obliged to respect the numerical limitations of SALT-2. The president, having badly misjudged the allied reaction to the decision, which was predictably negative, almost immediately began to retreat from this position. Liberals nonetheless anguished that arms control was about to be interred.

Enter Mikhail Gorbachev. On June 11 the Soviet leader floated an arms initiative in the Geneva talks that proposed a ceiling of 8,000 strategic warheads and 4,800 land-based ballistic missiles, provided the United States agreed to a strengthened Anti-Ballistic Missile Treaty for at least 15 more years. More important, although the Russians remained opposed to field-testing of strategic defense components, they agreed to permit laboratory testing.

Now neoconservatives shuddered. The Soviet offer was no dramatic breakthrough, but it did suggest movement. Moreover, Mr. Reagan considered it a "serious effort." What if the president were suddenly to succumb to Soviet blandishments?

To guard against a U.S.-Soviet agreement that would compromise SDI, a group of hard-liners, one suspects led by Assistant Secretary of Defense Richard Perle, helped shape the substance of a response that was conveyed in a letter from Mr. Reagan to Mr. Gorbachev. The American proposal, as revealed in almost daily press accounts, reportedly agrees to a delay in the deployment of the Strategic Defense Initiative for five to seven years on condition that Moscow accept field-testing of components in the interim and, if it proves feasible, deployment of missile defenses at the end of this period.


By FETIC in Nin (Belgrade). Cartoonists & Writers Syndicate.

Neither Mr. Gorbachev's June 11 proposal nor Mr. Reagan's counter are negotiable. The Russians (and the European allies) are hardly inclined to participate in the demise of the ABM treaty. And Mr. Reagan will certainly not permit his "vision" of SDI to fade from view. Whether a bargain can be struck that is politically and militarily acceptable to both sides remains highly uncertain.

Ironically, both sides now find themselves in arms negotiations. There may be no endgame in sight, but neither is there a convenient exit. Indeed, neither Mr. Reagan nor Mr. Gorbachev can any longer dismiss the initiatives of the other without incurring political costs in Europe and, for the president's party at least, in the United States as well.

Still, arms control proponents such as Senator Gary Hart maintain that no agreement will be negotiated during the balance of Mr. Reagan's term. Most liberals share this view because they contend that the president and his advisers are fundamentally bent on arms decontrol. Neoconservatives are convinced that it would be imprudent to enter into any understandings with the untrustworthy Russians that would define the basis of the American strategic force structure.

Both may be right.

When all is said and done, however, it may be that neither camp wants an arms agreement if it means, in the case of liberals, that Ronald Reagan will get credit for it, or, in the case of neoconservatives, that it becomes the prelude to another round of détente.

The writer, senior associate at the Carnegie Endowment for International Peace, contributed this comment to The New York Times.

By KAL in The Economist (London). Cartoonists & Writers Syndicate.

Mixed Signals to Pretoria Undercut U.S. Influence

By Anthony Lake and Richard Moose

WASHINGTON — In diplomacy, as in lion and tiger training, the trick is to compensate for the absence of absolute power through the strength and clarity of the messages one sends. This is true today with regard to South Africa. No one should pretend that sanctions, in any form, can force an end to apartheid, but they could be an important part of a firm, consistent anti-apartheid message to South Africa.

The message will never be heard through all the snarling by the South African government, however, if it is contradictory. And that is precisely what U.S. policy will be as long as it claims to oppose the South African government over apartheid while cooperating with it in Angola.

No matter what the form of sanctions voted by Congress, their force will be vitiated if, at the same time, the United States continues to act as South Africa's de facto military ally in sending aid through the CIA to the South African-backed guerrilla forces of the National Union for the Total Independence of Angola.

Such aid does not make practical sense. It increases the reliance of the Angolan government on its shield of Cuban troops. It has interfered with the search for a settlement in Namibia. The Angolan government is unlikely to view Washington as a fair mediator so long as the Reagan administration helps arm its enemies.

Perhaps more important, aid to UNITA makes little sense in relation to the central issue of how Washington can demonstrate both to blacks and to whites in South Africa that it truly opposes apartheid. One is struck by how often black leaders in South Africa refer to Angola when expressing to an American visitor their anger about U.S. policies.

The message is also mixed for South Africa's white leaders. They have always comforted themselves with the perverse notion that they are defenders of the Western faith, on the ramparts of Western civilization. They hope their stand against radicalism will in the end keep the United States in their corner, or at the least in a neutral corner. Cooperating with South Africa on "strategic" grounds in Angola reinforces this illusion and deepens their obduracy.

U.S. foreign policy is seldom made through one bold, telling decision. It is the product of a number of decisions made around Washington, each with its own internal logic. There is, for example, a domestic political logic for moderate members of Congress to "balance" votes for sanctions against South Africa with votes in favor of aid to UNITA, thus demonstrating opposition to governments on both the right and the left in southern Africa.

But a foreign policy must finally be judged by its effects abroad. Sending mixed signals to South Africa can only weaken efforts against apartheid. It is encouraging that the Foreign Affairs and Intelligence committees of the House have passed a measure to bar U.S. aid for UNITA unless approved by both the House and Senate. This bill could begin to unscramble the message to Pretoria.

Anthony Lake was the State Department's director of policy planning and Richard Moose was assistant secretary for African affairs in the Carter administration. They contributed this comment to The Washington Post.

Aid to 'Freedom Fighters' In Ethiopia Is Misguided

By Jerry Tinker and John Wise

WASHINGTON — For several years the CIA apparently has been channeling hundreds of thousands of tax dollars to dissidents inside and outside Ethiopia who claim to be able to start a democratic resistance movement, which the administration can then support as "freedom fighters" against the Marxist government. According to press reports, one such group is a post office box in London, and another has "agents" and "cells" inside Ethiopia.

Based on a recent visit to Ethiopia, we think the CIA has a long way to go. The only freedom fighters in Ethiopia today are the separatist guerrillas fighting for the freedom of the northern provinces of Eritrea and Tigre. But they can hardly be defined as a "democratic" resistance. In each case, they are Marxists struggling against a Marxist government; they all toe the same basic line.

Ignoring this will only damage whatever opportunity America has to influence events in Ethiopia by building on the good will and access it has gained over the last two years as a result of an extraordinarily generous famine relief effort.

There has been a remarkable change in the famine areas. The human tragedy of 1984-85 is ending. Seven million men, women and children facing starvation have been saved. Today there is a new atmosphere of hope; rains are coming, crops are coming back and refugees are returning to their villages. The obvious success of the aid effort has kindled a welcome pro-American sentiment among many Ethiopians.

The U.S. administration is understandably rankled that after dispensing half a billion dollars in food and other relief, there has been no major thaw in official ties with Ethiopia. But there are signs suggesting that the worst of the chill may be over.

First, Ethiopian officials no longer criticize the U.S. role in the relief effort; they are now publicly thanking the United States. Second, Ethiopia has opened its doors to Western and international agencies, and the government has invited American journalists and public officials to visit. Third, 40 voluntary agencies are now operating in Ethiopia, a notable reversal since 1983. Ethiopia is now supporting the role of the United Nations in expediting the current relief effort, and UN field coordinators will be able to monitor all sites of the controversial resettlement program.

Other ties are growing. The Ethiopian government has permitted the U.S. Information Service to re-establish operations. Cultural ties and educational exchanges are expanding. Ethiopian Airlines is negotiating a new order with Boeing to augment its all-Boeing fleet. There has been some easing of friction involving the U.S. Embassy in Addis Ababa, with increased contacts at low levels.

Finally, the Ethiopian government ended a longstanding irritant last December by agreeing to compensate Americans for property confiscated after the Marxist takeover in the 1970s. The settlement requires a payment of $7.5 million over the next five years, and the first installment of $1.5 million has already been made.

Every American official with whom we talked saw no likelihood that a covert operation could create a democratic resistance in Ethiopia, and the most knowledgeable observers ridiculed the notion. President Reagan apparently shares this view. In his State of the Union address in February he listed "freedom fighters" in Afghanistan, Angola, Cambodia and Nicaragua as deserving U.S. support — but ignored Ethiopia.

But until the hard-liners in the U.S. administration jettison their quixotic campaign to arm a nonexistent democratic resistance movement in Ethiopia, opportunities for further improvement in U.S. official relations with Addis Ababa will be denied.

Jerry Tinker is counsel to Senator Edward Kennedy, Democrat of Massachusetts, on the refugee subcommittee. John Wise is assistant export manager for Krause Milling-ADM Co., in Kansas City, and a food consultant to the subcommittee. They contributed this comment to The New York Times.

'Corruppies' And a Crisis Of Loyalty

By William Safire

WASHINGTON — Why have we seen, in the last few years, so much of the sale of national secrets for money? A new breed of trader-traitor has arisen who puts his love of self and pelf ahead of his loyalty to his country.

And why have we seen, at the same time, the invasion of Wall Street by the corruppies? These are the insiders with nothing inside, status-worshiping members of a flossed generation, whose self-absorption is complete and whose concern is nil for the reputations of the investment houses or law firms that employ them.

Why has this been accompanied in Washington by the professionalization of parasitism? Activists become deactivists, and enrich themselves by lobbying to oppose or twist the purposes that brought their administration to power.

The common denominator in this spread of corruption is the decline of institutional loyalty.

For too long we have derogated patriotism as "superpatriotism," and mocked "my country, right or wrong" as equivalent to "my mother, drunk or sober." We focus in fact and fiction on the dramatic tradecraft of espionage, forgetting the heinousness of the crime of betrayal of the institution called "country." Result: sell-outs of national security for cash.

Similarly, our corporate culture has razzed the notion of the stability and continuity of "the firm," merging to create empire but submerging identity. In a company recently acquired by another and taken over by a third, nobody's picture is on the wall, and employees cannot be expected to pin long-term commitment to a graphic artist's symbol. Try being loyal to a parallelogram. Result: "the House of" offers no home; the hotshot uses what used to be an institution as a pit stop on the fast lane.

And in the same way, too many members of past and present administrations forget what their loyalty to their hero and his party and all the combination represented. Result: today's bizarre bazaar.

It seems that the institutional loyalty we have let run out of the tub was not such a bad thing. The cornball lump in the throat at the pledge of allegiance, the paternalism of the company office party and the forced camaraderie of the union picnic, the reunions of the original campaigners all contributed to a sense of belonging — of ownership and being owned. There was a line below the bottom line. The organization was something to gripe about but also to be proud of.

O.K., without getting misty-eyed about an organizational past that was not wholly supportive, what do we do to stop the erosion of institutional loyalty? Patriotism may be on the way back in, and influence-peddling on the way out; the place to concentrate is in the business world.

Companies have to recognize that employee loyalty is a substantial asset. That means a new regard for seniority (I never gave that much thought when I was young) and a method of guaranteeing pension and insurance benefits no matter what happens to the company. That will have its costs, but managers will soon have to stop abdicating power to security analysts; a more loyal work force may not show up in the earnings, but it will help the company survive and prosper.

Workers and junior executives in turn will have to stop treating the company as this year's trampoline to someplace else; the portability of pension benefits is not as important as a stock-purchase plan. Hierarchy is not villainy and networking is not virtue. You do not have to marry the corporation for life, as so many Japanese do, but there is a value to planning an extended cohabitation.

The corporate hero should become the manager who brings along good people and helps others improve productivity, not the hired hatchet man who considers everyone who was there before him as deadwood; the villain should be the anti-organization man who treads his primrose career path with no respect for corporate character or sense of pride in being part of a worthwhile enterprise.

Sometimes institutional loyalties conflict. A traitor's spouse is torn between an urge to protect the family and a reluctance to injure the country. Many a lawyer and accountant is faced with a tough choice between his client and his profession; this loyalty bit can be a headbreaker.

But it is a value we ought to start recognizing anew, and teaching again, and demanding of each other. We have two jobs: to make our institutions more worthy of respect, and then to respect them.

The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Railway Strike

LONDON — The railway strike was in operation all over the country yesterday [Aug. 18], but at a late hour last night negotiations for peace were still going on. In the early hours of yesterday morning more than 20,000 troops arrived in London. A considerable force marched into the East End and a strong guard was posted at each of the great railway termini. At many of the stations travellers found sentries pacing up and down with bayonets fixed. All the troops carried ball cartridges in their ammunition pouches and they arrived with the baggage and equipment of a field force entering upon a campaign. Camps were formed along the line in easy reach of Paddington station and detachments of troops bivouacked in the quadrangle at Euston station and on the platform at Waterloo.

1936: Optimism in Spain

MADRID — With Conservative writers of novels and plays imprisoned, in exile or fighting to capture Red Madrid, intellectuals of the Popular Front government are reorganizing the theater and the Spanish Authors' Society, in the belief that the profession of arms will soon be thrown aside for the lighter realm of amusement. Writers are offered a bonus of 10 pesetas a day ($1.40) for joining the army. Hope was expressed [on Aug. 18] that legitimate theaters in Madrid would reopen by month's end. Cinemas, closed during the first days of the revolt, are offering entertainment. Newsreels of the fighting are popular. Employees of the Society suspected of anti-Republican sympathies are being discharged, and consider themselves lucky to escape with their lives.

OPINION

Thanking Those Who Share the Wealth

By David Broder

WASHINGTON — Privatization is a made-up word, which the ideologues in the Reagan administration and the conservative think tanks apply to the transfer of public functions and responsibilities from government to business, private institutions or individuals.

If there is any more awkward construction, I suppose it would be "publicization," which might be applied to the reverse process: the takeover by government of something that has been privately owned or developed.

The lovely paradox is that just when the folks in power are promoting privatization of everything from prison administration to power generation, the area between the White House and the Capitol is dominated by two spectacular demonstrations of the virtues of, forgive me, "public-ization."

On one side of the Mall, the National Gallery of Art is displaying dozens of the great paintings donated to it by Mr. and Mrs. Paul Mellon. Across the way from these masterpieces of French and British art, a bold, brash and bubbling exhibit of modern American and European paintings and sculptures, collected by Joseph H. Hirshhorn and left by him to the doughnut-shaped museum he *built on the Mall, brightens the scene.*

Nothing so repairs the spirit pulverized by politics as a few hours with the Mellon and Hirshhorn gifts. No one can calculate how much they contribute to the serenity and civility of this confused and often carping capital city.

The Mellon family created the National Gallery of Art. Andrew Mellon started the collection with the gift of 125 old masters in 1937, and he built the original gallery in 1941 for $15 million. His children, Paul Mellon and Ailsa Mellon Bruce, underwrote the East Building — surely the finest architectural addition to Washington in this era — at a cost of $94 million in 1978.

As you walk through the galleries where about one-tenth of the 800 Mellon-donated paintings have been re*moved from their usual settings* and grouped in temporary display, you do not think about the monetary value of the gift. It is the taste and excellence the Mellons imparted that lifts the spirit. Whether it is a Bellows boxing ring or Cézanne's heart-breaking portrait of his father, you are transported to a higher level of intensity and insight.

*The Hirshhorn show is a trip of an*other kind — joyful, dizzy, carefree. I remember Mr. Hirshhorn as a character in the Lyndon Johnson years, a tiny, irrepressible, self-made immigrant millionaire who wanted even the casual acquaintance to share his enthusiasm for whatever he had just done.

What he did mainly was buy art — gobs of it. There was a *huge stink* when he inveigled President Johnson — or the president inveigled him, depending on which version you believe — into dumping the whole collection into that odd O-ring of a building on the Mall.

But it was no mistake. The collection is bursting with color and energy, like Joe Hirshhorn himself, and even some of the small pieces, such as Stuart Davis's "City and Ships," are so vivid they linger in the mind's eye. There is such delight in the wild variety of things that caught his fancy that you find yourself bursting *into laughter as you turn a corner.*

What has all this to do with politics and government? Not much, thankfully. Except for this: We live in a time when it is chic to devise lists of things government can hand off to "the private sector," to promote privatization.

It is forgotten that when people give something to the nation and its government, *whether it is a magnificent* collection of art or something as mundane as taxes, it can be an ennobling and uplifting experience too.

The advocates of "privatization" have yet to establish what their legacy to the nation will be. I hope it is something more than the most cost-effective privately administered prison or the tastier *sandwiches in "contracted-out" cafeterias* in federal office buildings.

The legacy of those who — what does one say? — de-privatized themselves and established great public institutions of art and culture is here for all to enjoy. Franklin Roosevelt and Jimmy Carter opened the West and East Buildings of the National Gallery; Lyndon Johnson broke ground for the Hirshhorn Museum. It would be a worthy challenge for the friends of the Privatization President, Ronald Reagan, the people who have benefited most from his tax cuts and military-contract buildups, to consider what they might give the nation. Surely they don't want the doubled national debt to be his only monument.

The Washington Post.

'What with all the business mergers and takeovers, and the Reagan administration's "privatization" and giveaways . . .'

Elegy for the Handkerchief: More Than 'Show or Blow'

By Robert K. Otterbourg

TEANECK, New Jersey — As a part-time historian, I grasp at things past. In making my observations, I have noted that few people are mourning the apparent demise of the versatile handkerchief. The handkerchief symbolizes more than a manufactured square of cotton, linen or artificial fibers. It is a product *that surpasses its "show or* blow" reputation.

Even Webster's Ninth New Collegiate Dictionary respects the versatility of the handkerchief. The dictionary defines it as "a *small usually square piece of cloth* used for various useful personal purposes, as blowing the nose or wiping the eyes, or as an accessory on one's attire."

Despite such praise, it appears from all indications that the handkerchief is falling victim to the omnipresent tissue. And, with this surrender, something will have been lost to society.

The handkerchief is far more than a nose-wiper. It is a utility household product for use by young and old alike, and the one fashion item that never needs equal opportunity protection. Name another product that so nimbly provides health care, fashion, sports, religion and patriotic usage.

Going about suburban household chores, one can easily recall the nicked finger or the scraped knee. Did a paper tissue stop the bleeding or serve in an emergency as a temporary tourniquet? When you needed a hand grip to help carry a loaded suitcase or clench a wet bottletop, where did you turn for support? It is nearly impossible to find a woman who, as a girl, did not borrow *her father's favorite handkerchief to* fashion into a diaper for a favorite doll.

Movie buffs cherish the epic Errol Flynn or John Wayne films. Did the guardians of the frontier outpost use a tissue as their ensign? Even more poetic was the handkerchief wave used by Robert E. Lee to signal the call for an honored truce in the Civil War.

The *handkerchief* is falling victim to technological, social and medical progress. Working women and their non-ironing mates will hardly sacrifice time to iron crisp Irish linen.

We cannot deny that we have been propagandized by the claims of health addicts and tissue companies who advise against wiping one's nose and then "putting a cold in your pocket."

The utility of the handkerchief bears further witness with its versatility as packaging for cookies and unwrapped candies. For a pure fashion accessory, a generation of fathers became experts in folding a handkerchief into unusually shaped triangles, squares and rectangles.

The handkerchief, like few other products, goes beyond social bounds. To some, it doubles as a last-minute head covering before a religious service, a boy's four-corner hat on a hot summer's day, an eyeglass cleaner or the instant rag needed to remove spilled coffee.

Alas, the handkerchief is vanishing only to be replaced by the limited, disposable tissue. Will future galloping cowboys riding the range charge into the burning brush with a tissue taped to their face? How would Jesse James and the other legendary bandits of the past have pulled off their daring escapades without a handkerchief disguise?

As if to add to the handkerchief's *symbolic history, the U.S. work ethic* was heralded by the mopping of the brow to show the culmination of a hard day's work. A disposable piece of paper hardly declaims this same pride to farmers or steel workers. Nor will Sunday afternoon football ever be the same if referees begin to signal penalties with some other item of apparel.

The handkerchief is fighting for survival. To some, even romance is changing on account of the handkerchief's demise. In this age, a dropped handkerchief may no longer be needed to signal a "fair damsel in distress." Perhaps it has already been replaced by the more informative business card.

The writer, a public relations consultant, contributed this comment to The New York Times.

MEANWHILE

LETTERS TO THE EDITOR

Don't Blame the Marcoses

Regarding "Filipinos Eke Out a Meager Living" by Seth Mydans (Aug. 5):

The report on poverty in the rural Philippines underscored the fact that the often appalling conditions there are products of centuries of ignorance and superstition, neglect and greed, and cannot simply be blamed on the Marcos government, as the Aquino regime would have us believe.

Indeed, in the rush to discredit Ferdinand and Imelda Marcos, the vast efforts both made to break their people's cycle of poverty have been forgotten. It was Mr. Marcos, for example, who initiated the Philippines' most significant land reform — a rural program that large estate-owning families (including Corazon Aquino's) fought tooth and nail. As for Mrs. Marcos, her attempts to alleviate mass hunger and poverty through a sweeping national birth control program (as well as innovative nutrition centers) won international praise and, not coincidentally, the enmity of Mrs. Aquino's biggest backer: the Philippine Catholic Church.

Mrs. Aquino and her "revolutionary government" have been silent on land reform, population control policies and other poverty programs since they took power. Bemoaning alleged excesses by the Marcoses has become a convenient smokescreen for their own inaction.

A. EMMETT.
New York.

More on a Chinese Scientist

Regarding "Deng Jiaxian, Developer of China's A-Arms, Dies" (Aug. 5):

I am sorry to learn that Deng Jiaxian has died. Perhaps for security reasons, little has been revealed of his past; his photo was shown to the outside world only when the People's Daily reported his death. His contribution to China's first atomic bomb and hydrogen bomb was only reported fully by the People's Daily on June 24, perhaps in anticipation of his death. Here is some information to complement your report.

Mr. Deng graduated from Purdue University in Indiana in 1950 with a Ph.D. in physics. He returned to China in September 1950 and started work in the theoretical design of the atomic bomb in 1958, the result of which contributed to the successful explosion of *the first Chinese A-bomb on* Oct. 16, 1964. Afterward he was named the director of the Center for Nuclear Arms Design Studies, a post he held many years. History may tell whether he was, in fact, the father of the Chinese A-bomb. But his works should have earned him greater recognition than commendations at a state funeral.

LEUNG MANFAI.
Pontoise, France.

What Tutu Was Saying

Regarding "Going to Hell: Instructions for the West" (Aug. 7).

William Buckley made smart retort, but he begs the essential point. By telling the West to "go to hell," Bishop Desmond Tutu was expressing the anger and disgust he felt at President Reagan's weak and hypocritical response to the life-or-death issues facing South Africa.

These are strong words from a man of the cloth. It is evident that Mr. Buckley, sitting behind his desk writing his syndicated column, does not feel as strongly about the issues as does Bishop Tutu. America, like Britain and West Germany, chooses to place economic interests ahead of the welfare of millions of black people who are being ground under by an inhuman regime.

The issues are as plain as black and white. Western constitutions founded on principles of justice and equality are plainly hypocritical when they are set aside, even momentarily, in order to accommodate our convenience in dealing with the thugs who control the firepower of a country such as South Africa. *We are told by the likes of Ronald* Reagan and Margaret Thatcher and Pieter Botha that it would be a crime to turn Africa upside down through the imposition of economic sanctions — that it would wreck what has taken centuries to build, and so on.

I submit that this is a subject-object *confusion* — that what really has been accomplished in South Africa is one unholy mess. It is time that apartheid be wrecked, and that something new and worthwhile be built in that sorry land. It would seem to me that the issues in South Africa require immediate reparation. Such reparations, even if tackled right now, will cost a fortune — in blood and cash. There is no easy way. But surely it is better to take the most direct route, and to start right away, toward what is plainly right and just.

There appears to be agreement, even from Mr. Botha himself, that apartheid is a cancer — and if that be the case, the first thing to do is to cut off that which feeds the malady. Sanctions would wreck what needs to be wrecked.

Over the years, Africa has suffered the grossest inhumanities and humiliations at the hands of the West. I believe that most people who have come to understand this and who would truly like to *see an end to it, also understand what* Bishop Tutu means when he tells the West to "go to hell."

JEREMY BOULTBEE.
Sintra, Portugal.

Why Fear Urinalysis?

Regarding the column, "Reagan's 'Jar Wars': When Panic Prevails Over Privacy" by William Safire (Aug. 14):

William Safire is outraged by President Reagan's endorsement of urinalysis to reduce drug abuse. He says it violates the fundamental right of Americans against unlawful search, and implies that it is better to have drug deaths (there were 600 last year from cocaine alone) than this "coercion."

Would he also abolish other "freedoms" we Americans have willingly relinquished to control problems undreamed of by our founding fathers? Some examples: breath analysis of suspected drunken drivers, eye examinations to obtain drivers' licenses, routine finger-printing, body searches to deter terrorism, blood tests before marriage licenses are issued.

Is there something sacred about urine? I believe that most citizens would be willing to add urinalysis to the above list if it would help curb the illegal, dangerous, corrupting and destructive drug problem that afflicts America.

HARRY WASSALL.
Geneva.

In Search of a Golf Star

Regarding the sports report "Norman's Arrival Soothes Golf's Longing for a New Glamour Boy" (Aug. 2) by Bob Green:

Everything that Mr. Green says about Greg Norman is correct: He is "intimidating, indomitable, swaggers a bit" and is "from outside the United States." Nevertheless, how could such an article be written without mentioning Seve Ballesteros, acknowledged by most to be the world's best golfer today.

Apart from his fine tournament record, Mr. Ballesteros enjoys all of Mr. Norman's attributes, plus charisma. It is apparent that he does not much enjoy playing in the United States, except to go over and win more "majors." The reaction of U.S. officialdom has been to ban him for a year. The American public has been deprived and television must be desperate for a dominant star.

ERNEST MENDLER.
London.

A common sight in areas of Africa, where river blindness is endemic, is of blind men, usually over 30, being led by children who are infected and are themselves going blind.

Advance Reported on River Blindness

WHO Says Tests Show New Drug Treats Effects of Disease

By Lisa Schlein
International Herald Tribune

GENEVA — A drug to prevent blindness in people suffering from onchocerciasis, known as river blindness, has been tested successfully by scientists at the World Health Organization and Tropical Disease Research Program.

WHO, a United Nations agency, says that about 40 million people suffer from the disease and estimates that 85.2 million people are at risk of contracting it.

Ivermectin, produced by the U.S. pharmaceutical company Merck & Co., has been used for the treatment of parasitic diseases in animals since 1981.

In June 1983, scientists from WHO and the Tropical Disease Research Program joined Merck in *testing Ivermectin on humans.*

The results have been satisfactory, and Merck plans to submit the drug for registration with the French Ministry of Health toward the end of the year. Some of the studies on the drug were done in France.

Merck hopes to have the drug available for public use by mid-1987.

"It looks like Ivermectin will be a major breakthrough in the treatment of onchocerciasis," said Dr. Tore Godal, director of the Tropical Disease Research Program, which is managed by WHO. "It doesn't have the harmful side effects associated with other drugs which are used and which cause damaging and serious reactions."

Onchocerciasis is transmitted to humans by the bite of a female blackfly that breeds in fast-flowing rivers.

It causes gradual blindness and has often resulted in whole communities abandoning productive farmlands in fertile river valleys.

The disease occurs frequently in 26 African countries, in Yemen and Saudi Arabia, and in Mexico, Guatemala, Colombia, Venezuela and Brazil in South America.

The blackfly bite injects microscopic worms called microfilariae into the human system.

Some develop into adult worms, which produce thousands of microfilariae that travel though the skin and organs. They end up in the eye, where they die and cause blindness.

Blindness begins around age 15 and becomes total between 30 and 40.

"Ivermectin is not a cure," said Dr. Colin Ginger, a WHO drug expert on onchocerciasis. "But in the sense that it will kill all the microfilariae and no one need ever go blind again then it is a good halfway house while we search for a microfilarias substance which kills the adult worm."

According to the scientists, a 150-microgram tablet of Ivermectin will kill up to 99 percent of the microfilariae in the body within a couple of weeks and be effective for six to 12 months.

Angola Raid Is Explained By Prisoner

By Sheila Rule
New York Times Service

LUANDA, Angola — An imprisoned captain in the South African Defense Force reiterated here Monday that a South African commando unit carried out an abortive attack on a U.S. oil installation here to aid rebels fighting the Angolan government and weaken this nation's support for black nationalist groups fighting against Pretoria.

Captain Winan Petrus du Toit said at a news conference that had the defense troops been successful in the attack, carried out more than *a year ago, responsibility would* have been taken by the rebel group, the National Union for the Total Independence of Angola.

He said that his goal was not to maintain the South African system of apartheid but instead to ensure the survival of white Afrikaaners in his country. He likened Afrikaaners to an "extinct animal."

South Africa is the main supporter of the Angolan insurgents, led by Jonas Savimbi, and Pretoria has long been accused of making frequent incursions into Angolan territory to aid the rebels and destabilize southern Africa.

The news conference was organized by the Angolan authorities as part of the visit by the Reverend Jesse Jackson, who is touring black-ruled countries in the southern region.

Shortly after he was captured, Captain du Toit said that South *African forces* had hoped to create "considerable economic setback to the Angolan government."

Captain du Toit, 28, who is serving an indeterminate sentence, said Monday that the planned attack in Cabinda on Chevron's Gulf Oil unit was intended to "reactivate" Mr. Savimbi's "actions and influence" in the area of Cabinda.

He said that his unit hoped to destroy six storage tanks to stop or reduce the rate of production at the installation.

Chevron is the largest oil producer here. Oil provides the Angolan government with 90 percent of its foreign exchange, a sizable portion of which is used in its war against the rebels.

"If they don't have money, they can't support our enemies," Captain du Toit said.

The enemies, he said, were black nationalists seeking independence for South-West Africa, widely known as Namibia, and the African National Congress, the most prominent nationalist group fighting for the overthrow of the Pretoria government.

Iran Attacks Tanker in Gulf

Reuters

MANAMA, Bahrain — Iran attacked shipping in the Gulf for the second straight day on Monday, shipping sources said, and Iraq reported its warplanes had also struck again.

Shipping sources in the region said the Iranian attack set the 109,880-ton supertanker Akarita ablaze about 50 nautical miles off the coast of the United Arab Emirates.

Several missiles hit the vessel, one piercing a fully loaded oil hold in the bow and starting a fire, they said. There were no casualties among the Spanish and Filipino crew of 39, according to the sources.

On Sunday an Iranian helicopter raid on a chemical tanker killed two seamen and wounded three, shipping sources said.

An Iraqi military spokesman said *warplanes* attacked a "large naval target," Baghdad's term for an oil tanker or cargo ship, off the Iranian coast late Sunday.

There have been 55 attacks by both Iran and Iraq on Gulf shipping this year.

The Iranian attacks followed an Iraqi air raid last week on Iran's Sirri Island oil terminal, which damaged three tankers and killed at least 16 seamen.

Sirri is Iran's main oil export outlet and vital for its funding of the six-year war with Iraq.

OIL & MONEY IN THE EIGHTIES.

AN INTERNATIONAL HERALD TRIBUNE OIL DAILY CONFERENCE, LONDON OCTOBER 23-24, 1986

"The third era" will be the theme of the seventh International Herald Tribune/Oil Daily conference. This year's program will focus on the collapse of oil prices in 1986 and assess the future outlook for the oil industry.

OCTOBER 23

KEYNOTE ADDRESS
Sheikh Ali Khalifa al Sabah, Minister of Oil, *Kuwait.*
THE INTERNATIONAL OIL MARKET
Helga Steeg, Executive Director, International Energy Agency.
THE THIRD ERA: NEW OUTLOOKS
James E. Akins, Economic and Political Consultant.
SUPPLY AND DEMAND: THE SHIFTING PERSPECTIVE
Jean Carrier, Director, Total S.A.
Herbert Goodman, President, Gotco, NV.
Moderator: **John H. Lichtblau,** *President, Petroleum* Research Industry Foundation.
PRICING FORMULAS: A NEW MARKET FORCE
Pedro Haas, *Director, Petroleos Mexicanos.*
Alirio Parra, Managing Director, Petroleos de Venezuela S.A.
Philip K. Verleger Jr., Visiting Fellow, The Institute of International Economics.
Moderator: **Rosemary McFadden,** President, NYMEX.
THE IMPACT ON MAJOR INTEGRATED COMPANIES
C.J. Silas, Chairman, Phillips Petroleum Co.
M. Silvan Robinson, President, Shell International Trading.
CAN SMALL EXPLORATION AND PRODUCTION COMPANIES SURVIVE?
J. G. Cluff, Chairman, Cluff Oil plc.
Roland Shaw, Chairman and Managing Director, Premier Consolidated Oilfields plc.
Moderator: **George Band,** Director General, U.K. Offshore Operators Association.
CHEAP OIL AND MIDDLE EAST POLITICS
Joseph C. Story, President, Gulf Consulting Service.
Mehdi Varzi, Senior Analyst, Kleinwort Grieveson & Co.
Thomas R. McHale, Senior Economist, Drexel Burnham, Lambert, Inc.
Moderator: **Nicholas G. Voute,** Oil Consultant.

OCTOBER 24

KEYNOTE ADDRESS
John S. Herrington, United States Energy Secretary.
FINANCIAL IMPLICATIONS OF THE CURRENT OIL CRISIS
Manuel Azpurúa Arreaza, Minister of Finance, Venezuela.
Anthony A. Churchill, Director, Energy Department, The World Bank.
Michael T. Welch, Division Executive, Citibank N.A.,
THE IMPACT OF THE PRICE COLLAPSE ON OIL COMPANY REVENUES
Charles T. Maxwell, *Vice Chairman, Cyrus J. Lawrence,* Inc.
Michael Unsworth, Senior Oil Analyst, Scott, Goff, Layton & Co.
Moderator: **David Gray,** Senior Oil Analyst, James Capel & Co.
THE OUTLOOK FOR NIGERIA'S OIL POLICY
Rilwanu Lukman, Minister of Petroleum Resources, Nigeria, President of the OPEC conference.
THE ENERGY OUTLOOK FOR THE 1990's
László Kapolyi, Minister of Industry, Hungary
Marcel Masse, Minister of Energy, Mines and Resources, Canada.
Arne Olen, Minister of Petroleum and Energy, Norway.
Robert de Bauw, Director for Oil and Gas (acting) European Commission.
Moderator: **Herman T. Franssen,** Economic Advisor of H.E. The Minister of Petroleum and Minerals of the Sultanate of Oman.

Herald International Tribune. 99 YEARS 1887-1986

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...orruption ... nd a Crisis ...f Loyalty

By William Safire

ASHINGTON — Why ha... we seen, in the last few ye... ch of the sale of national ... oney? A new breed of ... has arisen who puts his ... and pelf ahead of his ... country.

d why have we seen, at the ... the invasion of Wall Street ... orruptics? These are the ... nothing inside, stamp-ready ... embers of a flossed ... self-absorption is ... hose concern is nil for the ... s of the investment ... irms that employ them. ... y has this been accompanied ... ington by the profession ... of parasitism? Activists ... ivists, and eunch ... obbying to oppose or ... oses that brought their ... n to power ... e common denominator a ... d of corruption is the decline ... ational loyalty ... too long we have denigr... otism as "superpatriotism," ... ked "my country, right ... g" as equivalent to "my mot... k or sober." We focus in fact ... n on the dramatic trademark ... nage, forgetting the heinous ... e crime of betrayal of the ... called "country." Result: a ... of national security for cash ... milarly, our corporate cul... ...azed the notion of the ... continuity of "the firm," ... reate empire but subsequ... ...city. In a company recently ... ed by another and taken over, ... ird, nobody's picture is on ... , and employees cannot be ... ed to pin long-term commitme... graphic artist's symbol. Try ... loyal to a parallelogram. Ha... House of" offers no home: ... hot uses what used to be an ... n as a pit stop on the fast le... nd in the same way, too ... bers of past and present ad... ...tions forge: what their ly... ...nds here and his party and ... ...binations represented. Reside... s bizarre bazaar.

...seems that the institutional... we have let run out of the ... ...such a bad thing. The cont... ...p in the throat at the pledge ... ...gience, the paternalism of ... ...party office party and the fa... ...raderie of the union picnic: ... ...ions of the original company ... ...contributed to a sense of hol... —of ownership and being ... re was a line below the ... The organization was sometim... ...rse about but also to be proud ... K., without getting mistye... ...at an organizational past that ... wholly supportive, what does ... stop the erosion of institution... ...lity. Patriotism may be out ... back in, and influence-peddl... the way out, the place to ... e is in the business world. ...companies have to recognize ... ployee loyalty is a substantial ... That means a new respect ... ...rity (I never gave that m... ...ught when I was young) and ... ...thod of guaranteeing pension ... ...surance benefits no matter ... ...gers in the company. That ... ...its costs, but managers will ... ...e to stop allocating power ... ...ity analysts. A more loyal w... ...ce may not show up in the ... ...e, but it will help the comp... ...ive and prosper. ...Workers and junior executive... ...t will have to stop treating ... ...company as this year's trampoli... ...replace else, the portability ... ...surance benefits is not as impor... ...t stock-purchase plan. Hiring ... ...ople willing and newsworking ... ...not military and mercenaries ... ...rue. You do not have to manip... ...rporation for life, as so many ... ...ersation for life, as so many ... ...e do, but there is a value to pl... ...e on, but there is a value to ... ...e an extended cohabitation. ...The corporate hero should have ... ...manager who brings along ... ...ople and helps others improve ... ...ervals, not the hired hatchet m... ...considers everyone who ... ...re before him as deadwood ... ...ho should be the anti-organi... ...man who treats his young ... ...r man with no respect for ... ...character or sense of pride ... ...part of a corporate enterp... ...Sometimes institutional loyal... ...efficient. A traitor's spouse is a ... ...en an urge to protect the fa... ...a reluctance to injure the co... ...Mr. ... ...a lawyer and accountant ... ...with a tough choice between ... ...and his profession, this loy... ...ent and his profession, this loy... ...e a head-breaker. ...Business is a value we ought to ... ...Business ... and teach, ...and demanding of each ot... ...to make our ... ...a few more words of respect ... ...more words of respect ... ...to respect them.

The New York Times

...D 50 YEARS AGO

...936: Optimism in Spa...

...ADRID — With Conservat... ...forces of revolt and plans ... ...for a coup or fighting to ... ...ce of intellectuals of the ... ...Madrid government are ... ...ar from government and the Spanish ... ...the theater and the ... ...the belief that ... ...Socialists, in the belief that ... ...possession of arms will ... ...control of the ... ...for the better main... ...Writers are already ... ...ployment: Writers are already ... ...ve pesetas a day ($1.40) ... ...ge of pesetas a day ($1.40) ... ...Hope was ... ...ing the army. ... ...ing the army. ... ...[S]ubsidies ... ...Madrid would reopen ... ...Cinemas, closed ... ...with the end of the revolt, are ... ...first day of the revolt, are ... ...entertainment. Newsreels ... ...are popular. Employees ... ...Spanish suspected of anti-Fas... ...being are being ... ...Spanish suspected of anti-Fas... ...are being ... ...arrested, and consider themselves ... ...to escape with their lives.

Anti-Zia Demonstrators In Lahore and Karachi Demand New Elections

By Richard M. Weintraub
Washington Post Service

LAHORE, Pakistan — Thousands of opposition activists began a campaign Monday to force the government to call new elections, winding through the streets of this old city shouting slogans against President Mohammed Zia ul-Haq and in favor of Benazir Bhutto, leader of the People's Party.

Hundreds of heavily armed riot policemen generally stayed in the background, avoiding the kind of clashes that left at least three dead and scores injured Thursday.

In Karachi, however, police used batons and tear gas to break up a similar rally, continuing the cycle of violence that has developed in the port city since Miss Bhutto was arrested on Thursday. Three persons died overnight in Karachi from injuries received Sunday when police fired their weapons.

The rallies Monday marked what the opposition alliance, the Movement for the Restoration of Democracy, said would be a long-term campaign of marches, strikes and other demonstrations designed to build momentum for new elections.

The movement had set Sept. 20 as the deadline for a government decision on elections but that date was advanced last week after the government banned independence day rallies and detained hundreds of opposition leaders.

Government officials contend that they were forced to act after receiving intelligence reports that elements within the opposition movement planned to turn the rallies into violent demonstrations.

Opposition leaders consistently have asserted that they can put thousands of demonstrators on the streets at any time, but many of their recent rallies have appeared to fall far short of desired numbers.

At the outset of Monday's rally, about 200 demonstrators gathered in the Rang Mahal Chawk in Lahore's old city. They appeared to be outnumbered by riot police in the square and in nearby streets.

After speeches from a retired Supreme Court justice calling for the nonviolent overthrow of the government, the crowd began to swell as it began a mile-long (1.6-kilometer-long) march through the city to a rallying point near a mosque. By the time it reached its destination, 4,000 to 6,000 people had joined its ranks.

Along the route, older party members worked to control the crowd. Government officials generally pulled riot policemen, who earlier had been in evidence throughout the area, into side streets. Policemen behind barriers blocked the march route at the mosque, but the crowd stopped for a few speeches and chants and then broke up peacefully.

City officials in Lahore had lifted the ban on political rallies on Saturday.

A magistrate, Shahzad Hassan, said Monday as he watched the rally from behind police lines that he saw no reason why detained leaders of the Movement for the Restoration of Democracy could not be released "as long as the crowds continue to remain peaceful."

In Karachi, where the ban on political rallies remained in force, police broke up a gathering of about 300. Small groups of youths, reportedly from the People's Party, made hit-and-run attacks on police targets later in the day.

Liu Heung Shing/The Associated Press

Riot policemen in Karachi confronting two anti-government demonstrators on Monday.

U.S., Soviet Will Resume Talks On Preventing Accidental War

By Michael R. Gordon
New York Times Service

WASHINGTON — The Soviet Union and the United States have agreed to resume talks on ways to reduce the risk of accidental nuclear war, according to Reagan administration officials.

The talks are to reconvene this month in Geneva, officials said Sunday.

Administration officials said both sides had an interest in coming up with some kind of agreement in the field of arms control that could be formally approved at an eventual summit meeting between President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader.

The two sides remain far apart on the central arms control issues, such as Mr. Reagan's Strategic Defense Initiative to carry out intensive research on anti-missile systems. But the talks on reducing the risk of accidental nuclear war, officials said, could afford an opportunity to reach an accord that would suffice for a summit meeting. Though the issue is peripheral, it is deemed important by some administration officials and members of Congress.

The Soviet Union conveyed its interest in resuming the talks when Alexander A. Bessmertnykh, a deputy foreign minister, came to Washington last month to meet Secretary of State George P. Shultz, according to administration officials.

The officials said resuming the talks was one of the first matters raised by Mr. Bessmertnykh. The United States had proposed a follow-up session at the first round of talks, which took place in May.

At the initial round, the United States outlined its proposal to reduce the risk of accidental war through the establishment of "nuclear risk reduction centers" in Washington and Moscow.

According to the administration's proposal, the centers would be separately staffed by U.S. and Soviet officials and would be used to trade information on military activities to reduce the chances that a nuclear war could arise out of miscalculation.

A senior administration official said the information that might be exchanged could include notice of all missile tests and of major exercises involving strategic forces, such as flights of bombers.

The administration has suggested in its negotiating proposal in the Geneva arms talks that such information be exchanged as one of its "confidence-building measures." But one official said such information exchanges might be negotiated as part of an agreement establishing risk reduction centers.

The Soviet Union did not indicate at the Geneva session what it thought of the U.S. concept for the centers. Government experts said it was now up to the Soviet Union to say what it thinks of that proposal or to advance alternative ideas at the next round of talks on risk reduction.

Richard N. Perle, an assistant defense secretary, and Colonel Robert E. Linhard, an air force officer and a member of the National Security Council, headed the U.S. delegation to the first round of talks and are expected to do so in the coming round.

The Soviet negotiator is Alexei A. Obukhov, the Soviet negotiator in Geneva on strategic weapons.

The proposal for risk reduction centers has been promoted by Senator Sam Nunn, a Georgia Democrat, and Senator John W. Warner, a Virginia Republican, both of whom are members of the Senate Armed Services Committee.

Administration officials said there was no important movement at the talks in Moscow last week dealing with central arms control issues such as the Strategic Defense Initiative. They also said that while those sessions were basically nonpolemical, they included a speech by Colonel General Nikolai F. Chervov of the Soviet general staff assailing SDI.

Administration officials gave different assessments of the value of the Moscow session, which was suggested by the Soviet Union to prepare for a meeting in mid-September between Mr. Shultz and Eduard A. Shevardnadze, the Soviet foreign minister. Spokesmen for the State Department and the White House have described the meetings as serious, substantive and businesslike.

One administration official said it was unrealistic to expect that the sessions would make important progress and added that they had helped improve the atmosphere for negotiations, which he said had been marred in the past by mutual mistrust.

But some conservative administration officials maintain that the White House and the State Department are trying to put the best face on the Moscow session for political reasons.

CHILE: *U.S. Proposals Rejected*

(Continued from Page 1)

was some administration concern before General Galvin's visit that General Pinochet was receiving mixed signals from Washington because of vocal criticisms of administration policy there by Senator Jesse Helms, Republican of North Carolina, who has supported the Chilean military leader.

According to U.S. officials, General Galvin informed General Pinochet that President Ronald Reagan, Secretary of State George P. Shultz and other officials were united in their concern over what Mr. Reagan has termed entrenched military rule in Chile and the absence of fundamental steps toward a transition to democracy.

Several officials said General Pinochet appeared to have gained an "impression" about divisions in the administration.

But an official said that the Galvin mission, along with public statements by U.S. officials and criticisms of Mr. Helms by conservative legislators and newspapers, had made it plain to the Chilean leader in recent days that there was "coherence and cohesion" in administration policy.

Because the administration believes that General Pinochet, the army commander who came to power in 1973, is responsive to United States economic pressures, the White House and State Department are proceeding with plans for the United States to vote for the first time against loans to Chile by the World Bank and the Inter-American Development Bank.

Officials emphasized that the loan-vote decisions, which will be made in October, depended largely on the human rights and political situation in Chile over the next two months.

Public American pressure on Chile was evident on July 30 when Elliott Abrams, assistant secretary of state for inter-American affairs, said that if the vote were held on loans to Chile on that day, he would vote against them.

Since then the negative results of the Galvin mission have increased the prospects that the United States would oppose the new loans, officials said.

Such votes, the officials say, would have "strong symbolic effect," even if other Western nations support the assistance, and signal General Pinochet about growing administration dissatisfaction with his regime.

Among the loans to be considered in October or November are $250 million from the World Bank and $300 million from the Inter-American Development Bank.

Although the United States cannot veto the loans, the votes are weighted by the amounts contributed, and the United States, with the largest voting bloc, could be influential in delaying or blocking the assistance.

AP

Augusto Pinochet

TAX: *Historic Bill to Reconstruct the System Has Reagan's Singular Stamp*

(Continued from Page 1)

years ago — three years of cuts in individual tax rates that totaled $750 billion. He and Congress did not work out a way to bring the budget in line with the resulting shrinkage in federal revenues.

The tax changes should not alter the course of the deficits, the White House and the tax-writing committees of Congress say, because they maintain that the bill is "revenue neutral," producing neither more nor less in total government revenue than the old law would have.

But other analysts have doubts.

"As tax policy, this is a tremendous achievement," said David A. Stockman, the president's former budget director. "But as budget policy, I'm skeptical. I'm rather convinced that the thing is less than revenue-neutral."

That said, the tax proposal stands as a monument to Reaganism. It follows the direction that he set in May last year. In the particulars, he lost a few. But in some notable instances, especially a top individual rate even lower than the 35 percent the president proposed, he got more than his advisers dared ask for.

The president found a way to make tax overhaul sell that had eluded his predecessors. He stuck to his plan through the congressional storms of December and again in the spring.

He egged on the deliberations in the House Ways and Means Committee and the Senate Finance Committee, at a low point when even his senior lieutenants in the White House, including the chief of staff, Donald T. Regan, were speculating that tax reform was dying.

Mr. Reagan also appointed men who were skilled in dealing with Congress to lead the campaign. The treasury secretary, James A. Baker 3d, and the deputy secretary, Richard G. Darman, made it politically untenable for anyone to be in the position of having "killed tax reform."

"Reagan kept the Democrats from opposing tax reform and made it bipartisan," said Jeffrey Bell, deputy chairman of the pro-Reagan lobbying organization, Citizens for America.

Yet the fruit of Congress' labors is less a blend of Republican conservatism and Democratic liberalism than a Reagan variation on Theodore Roosevelt's reformist populism.

It favors workers who have below-average incomes. Most of them would retain their deductions for Individual Retirement Accounts, for example, while most of the better-paid lose them.

High-income workers would eventually lose their personal tax exemptions, while poorer workers would get bigger ones than they are allowed now. It also appears that an additional six million low-income Americans would pay no taxes at all.

The wealthy, who tend to rely more on income from the relatively lightly taxed capital gains that they realize from selling investments, would now pay as much tax on their investment profits as on their salaries. Also, only 80 percent of business executives' expense-account meals would now be deductible.

The proposal has populist appeal, too, in shifting more of the burden of taxation from individuals back toward business, which carried most of the load in the first decades of the century.

Businesses that will be the most adversely affected include old and heavy industries that were once bastions of Republican Party support. Among those hurt the least are the new entrepreneurial industries that have captured Mr. Reagan's populist fancy.

In at least one important respect, however, the proposal looks less populist than the existing law. Present law provides a scale of progressively rising rates, in 14 brackets from 11 percent to 50 percent.

But deductions and other provisions erode the progressivity — the idea that as incomes rise, so should the taxes assessed on them. On paper, the new proposal proves somewhat more progressive than the current code, tax specialists say.

But progressivity, as a social-policy commitment to shift income from the rich to the poor, has been lost. Compressing individual rates to a mere two, 15 percent and 28 percent, means that everyone is treated equally once a taxpayer's liability reaches the upper rate.

Thirty years ago, Mr. Pechman of Brookings found that if most of the special provisions were removed from the tax code, the tax rates then could be cut by 40 percent and everyone would carry a more equitable share of the tax load. Until now, no president had made much of that idea, but it piqued the president's interest and made tax overhaul work.

The president found he could combine the reformer's appeal for equity in the tax code with an appeal to the greed of the many at the expense of the greed of the few.

Extremely low tax rates for all, his Treasury's statisticians showed, could break the resistance even of many of the beneficiaries of the tax code's special deductions, credits and exemptions.

Taxpayers will not realize tax savings anywhere near the magnitudes of the rate reductions. Perhaps a quarter of all taxpayers would pay more, not less, because they are losing preferences. Some upper-income taxpayers would actually be subject to an effective rate of 33 percent.

And on average, the tax burden for all individuals would shrink just 5 or 6 percent. But once congressional leaders recognized the political salability of the rate reduction, the president's tax reform was sealed.

Senator Max Baucus, Democrat of Montana, a member of the Senate Finance Committee, said, "It was never openly discussed in that way, but everybody immediately sensed what it meant."

As Mr. Heller said: "What really drove home tax reform, was not only the appeal to fairness but the appeal to venality. These lower rates seem awfully good to people."

How Tax Plan Affects U.S. Citizens Abroad

The maximum amount earned abroad without being subject to federal income tax would be reduced from $80,000 to $70,000. None would be subject to the minimum tax.

The minimum tax for individuals living in the United States would be 21 percent. Included in the income base, among other items, would be market value of charitable gifts of property and interest earned on tax-exempt bonds issued on or after Aug. 8 of this year. The minimum tax is designed to keep higher-income taxpayers from paying at less than a certain rate by extensive use of deductions and credits. *(IHT)*

Tornado Kills One in France

Reuters

CHARITE-SUR-LOIRE, France — A tornado tore through a camping site in this central French town late on Sunday, killing one person and injuring more than a dozen others, the police said Monday.

CHERNOBYL: *A Touchy Reactor, Human Error*

(Continued from Page 1)

produce hydrogen, an explosive gas, at high temperatures.

Like American units, this kind of reactor is cooled by water.

But instead of one large pressurized vessel to contain the nuclear fuel and the water around it, as in U.S. units, the Chernobyl reactor had 1,700 individual pressurized tubes. Each contained water that drew heat from the fuel, then was turned to steam and piped to a turbine.

The Soviet plant did have a very heavy steel and concrete shell around the reactor, U.S. experts said, but under the conditions that occurred April 26 few, if any, containment structures would have prevented a large radiation release.

The test being run when the accident occurred involved shutting off the steam supply to the turbine and seeing how long the turbine-generator could run on residual energy. The reason for such a "turbine inertia" test, American experts said, is to see how long the unit could run emergency equipment after a shutdown.

The Soviet plant workers did the test while keeping the reactor running, their report said. Alfred Schneider, a nuclear engineering professor at the Georgia Institute of Technology who is familiar with the Chernobyl design, said workers would be unwilling to shut the reactor down because it would take several days to start it up again.

While reactors like the one at Chernobyl are running, he said, they build up xenon, which absorbs neutrons and tends to slow the chain reaction. Once a unit is shut down the xenon must be allowed to dissipate. The emergency systems were evidently shut off, U.S. experts said, to keep the reactor from automatically shutting down during the test.

The experts said the Russians often worked close to their reactor while it was running. The graphite reactors are designed to be refueled while the unit is running by workers who remove individual fuel assemblies. U.S. reactors are shut down about once a year for major refueling of much of the core.

"There is a mind-set with this kind of reactor, because you almost continually work around it when it is running," Mr. Schneider said. "There may well have been a false sense of friendship with it. With that kind of mind-set, you are more likely to shut off automatic controls and alarms because you think you know the plant so well."

After workers noticed the gravity of their problems, they tried to shut down the reactor by inserting control rods into the core to stop the chain reaction, the report said, but only a quarter of the rods went into place.

Mr. Schneider said this may have stemmed from thermal distortion of the rods because the unit was already abnormally hot.

SUDAN: *Famine Is Feared After Attack Halts Airlifts*

(Continued from Page 1)

of food for the last two or three months."

Since the beginning of the year tens of thousands of civilians, seeking food and protection from marauding soldiers, have fled into southern towns controlled by government troops. Fighting, not drought, is the major reason for the shortage of food in the countryside, United Nations officials say.

The Sudan Peoples Liberation Army is trying to seal off 11 of these towns and squeeze the government forces out.

The insurgents' radio station said Monday that international concern for starving civilians in the towns was being manipulated by the Khartoum government "for military advantage without the slightest iota of concern."

The rebel radio asserted that the Sudanese government, under Prime Minister Sadek el-Mahdi, was planning a military offensive in the south. It said that the shooting down of the airliner and the ban on flights were defensive responses to that expected offensive, which it claimed was being assisted by "a foreign country."

The allusion was to Libya, which in recent months has given military aid to Sudan. There have been reports in Khartoum newspapers in the past week of a buildup of about 1,000 Libyan soldiers in western Sudan.

The Sudan Airways airliner was shot down Saturday morning by a SAM-7 anti-aircraft missile shortly after it took off from Malakal, a town 450 miles (about 730 kilometers) south of Khartoum.

The insurgents' clandestine radio station, which broadcasts from inside Ethiopia, a country that arms and equips the rebels, said that "the death of the innocent citizens in the plane rests squarely on the shoulders of the Khartoum government, which turned a deaf ear to our initial warning." The rebel movement warned on Friday that no flights would be permitted over southern Sudan.

The attack stopped an airlift by the International Committee of the Red Cross that was to fly 1,300 tons (about 120,000 kilograms) of corn from Uganda into the southern Sudanese town of Wau to feed the 40,000 to 50,000 destitute people who have converged there. A Red Cross spokesman in Geneva said that at least 65 percent of these people were badly malnourished.

The airlift, however, was suspended after two days of operation, having delivered just 44 tons of corn. The Red Cross spokesman said contact had been made "with all parties concerned," including the rebels, to resume the airlift. But he said that until the Red Cross was certain that there would be no more missile attacks, "we don't fly."

The most efficient way to transport relief food into Sudan is by truck. The UN World Food Program purchased this year 4,500 tons of Kenyan corn for shipment into southern Sudan through Uganda. Only about half of that food has made it into Sudan.

Carlo Gola, director of Speedway Trans-Africa Freighters, a Nairobi freight company, said, "I have had 50 lorries full of maize sitting at the Sudan border for over 20 days waiting for a government convoy to escort them to Juba, but the army convoy hasn't yet materialized."

Juba is southern Sudan's largest city. About 20,000 destitute people are there.

Government forces, many of them ill-equipped and ill-trained, have little control in the south outside major towns.

A number of Kenyan truck drivers have been wounded and killed by the Sudanese guerrillas in delivering food to Juba.

The rebel radio said Monday that the Sudan Peoples Liberation Army would intercept any relief shipments into southern Sudan, by air, truck or barge on the Nile.

MEETING: *Israeli-Soviet Talks*

(Continued from Page 1)

little more than a formula chosen by the Russians to signal an important policy change.

The Soviet Union, according to a common Western analysis, had decided that the absence of any relationship with Israel was restricting its overall influence throughout the Middle East.

Nonetheless, according to Israeli officials in Helsinki, the Soviet negotiators did not depart from the limited Soviet agenda first suggested in April.

The Russians brought up three issues to be discussed in future contacts: the functioning of their interest section in the Finnish Embassy, the status of Soviet citizens in Israel and the condition of Soviet property there.

The Israeli negotiators, however, used the meeting to raise what might be seen as the fundamental questions in its relations with the Soviet Union.

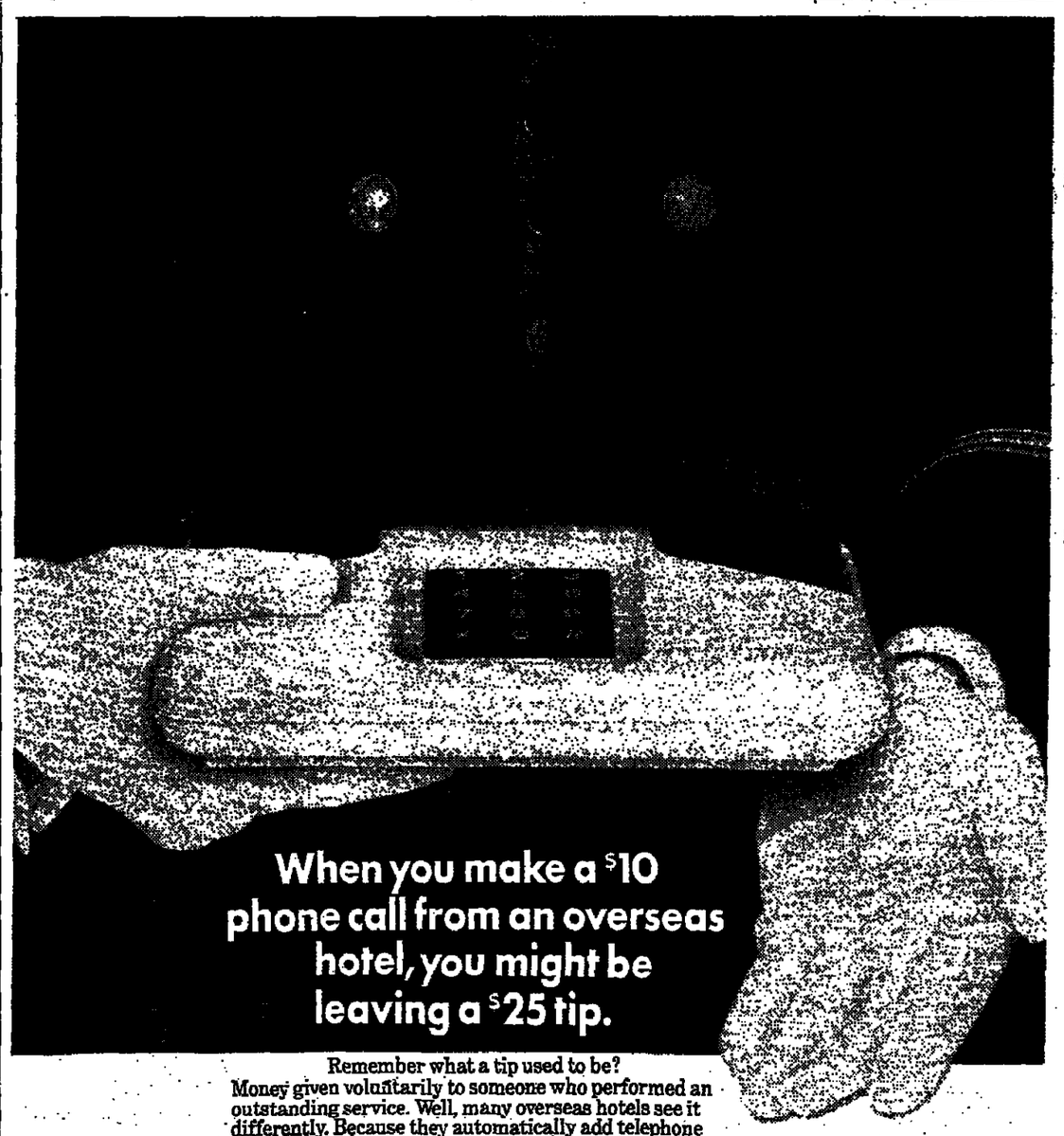
They were Soviet restrictions on Jewish emigration, the Jews jailed in the Soviet Union because of Zionist activities — a group the Israeli negotiators referred to as "prisoners of Zion" — and the Soviet attitude toward Israel in the Middle East conflict.

■ Soviet Reassures Arabs

The Soviet Union has sought to assure Arab countries that the Helsinki talks are not designed to normalize relations with Israel, The New York Times reported earlier from Beirut.

Soviet press articles circulated in the Arab world in Arabic said the meeting would deal only with consular and real estate matters.

The official press features syndicate, Novosti, said that only one representative from each side would take part and that Israeli government leaders had been "daydreaming" when they said the meeting was a prelude to the resumption of full diplomatic relations.



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Will the Real 'Buck Ram's Platters' Please Stand Up and Sing 'Only You'?

By Mike Zwerin
International Herald Tribune

MONTE CARLO — The Platters, who recently played the *Sporting Club* here, were one of the slickest rhythm 'n' blues groups of the '50s, one of the United States's top vocal groups and club attractions, the link between the Mills Brothers and Smokey Robinson. People express surprise that they are still around but this is an example of the show-business maxim that when you haven't heard of an act for awhile they are probably working Las Vegas.

According to Jean Bennett, their manager and president of The Five Platters, Inc: "The group has never stopped working. We've always kept the name alive." She has been "spending my time with some of the best lawyers in the world — and some of the worst" battling over other, she says "bogus," Platters in Israel, Canada, Australia and the United States.

Obsessed with court procedures and legal tangles, Bennett kept pulling out documents and repeating her case, precedents and prior rulings: "I've done quite a bit of research. Two of the original Platters, Tony Williams and Paul Robi, have claimed that they started the group. But the truth is that Buck Ram incorporated the group in 1956, right after they hit it with 'Only You' and 'The Great Pretender,' which he wrote for them. The Ink Spots had had trouble with their name, and we wanted to avoid that. The corporation has existed ever since. The group became stockholders and employees. When they left, they turned in their stock and were not supposed to use the name."

The controversy surfaced in Australia earlier this month when Buck Ram's Platters were temporarily refused entry visas for a tour. According to Billboard magazine, a government-backed bid by the Australian Actors Equity Association to prevent Buck Ram's Platters from undertaking a club tour there "erupted into a major national issue." A group called "Paul Robi's Platters" had just toured there and the association's secretary Michael Crosby said: "We simply cannot have all these Platters running around Australia."

Bennett "makes no bones" that there are no original Platters left in the original Platters: "But Buck formed the group, he hired the original members, he rehearsed them, taught them to sing-five part harmony, wrote their songs and he is still writing our songs. We had a great victory when a federal district judge in Colorado banned Paul Robi from billing his group as 'The Platters.'"

Although the general public may not be familiar with the name, the multi-talented Buck Ram has been called "Mr. Magic Touch," and "a living institution." His story and the story of his Platters in general reflects many sides of the history of popular music in the United States. Ram's more than 1,000 songs have been recorded by (a short-list) Mario Lanza, Dolly Parton, B. B. King, Woody Herman, Count Basie, Cab Calloway, Artie Shaw, Louis Armstrong and Acker Bilk. Ram also wrote "The Magic Touch" and "Twilight Time" for The Platters.

Buck Ram's Platters

Born in Chicago in 1909, Ram now lives in Las Vegas as does the rest of the group. After working his way through law school playing the saxophone, he joined Benny Goodman and then Gene Krupa; and began writing arrangements for the Dorsey Brothers, Glenn Miller, Duke Ellington and others. He dragged Chick Webb, the drummer/bandleader, to an amateur night at Harlem's Apollo Theatre to hear the 15-year-old Ella Fitzgerald and nagged Webb until he hired her.

Hollywood beckoned, but movie moguls were not ready for his R&B-oriented songs. Ram's career floundered. He was considered washed-up. He started a management company. One day in 1953 a singer named Tony Williams came in off the streets of Los Angeles with some friends to audition. Although they were raw, Ram heard something he liked and rehearsed them for two years before Mercury Records signed them, along with The Penguins.

Meanwhile, Jean Bennett had come to Hollywood from Carterville, Missouri, "eight miles from Joplin on Route 66, to seek my fortune as a singer. I'd always hoped my voice would get me out of mid-west mediocrity. Buck said he didn't need a soprano but he got me a part-time job with the manager of Liberace and Lawrence Welk. At the same time I was working for Buck, looking for artists and learning to promote records."

Mercury let Ram have a free hand with The Platters because they were concentrating on The Penguins. At the end of a Penguin session, everybody was packing up when Ram said: "Wait a minute. There's some time left. I want The Platters to record 'Only You.'" The studio help and recording executives objected and there was no piano player, but Ram insisted: "I'll play piano. I can play triplets." Bennett worked "very hard promoting the record up and down the west coast and across the country. It started to break in Cleveland and Seattle. The rest is history."

Buck Ram's Platters: San Francisco, through Aug. 24; Charlotte, North Carolina, Aug. 27-31; Las Vegas (Four Queens), Sept. 2-21; Harrahs (2 weeks Reno, 2 weeks Lake Tahoe, Nevada; Sept. 30-Oct. 26.

Marketing New Fragrances: Superhype Does It

By Michael Gross
New York Times Service

NEW YORK — The makers of prestige fragrances — colognes, perfumes and scented products ranging from shampoo to foot cream — want attention. So they come up with names that are as suggestive as Opium and Decadence, as self-involved as Obsession and Beautiful, or as bizarre as the recent entry, Poison.

"What's next — Lust, Greed and Avarice?" said Victor Gassman, the president of Liz Claiborne Cosmetics, which will introduce the fragrance bearing the designer's name next month. "The norm today is superhype."

Perfume manufacturers routinely run advertisements that are even more outrageous than their perfume names. They give away buckets of samples at charity galas, in stores and on scent strips in magazines and mailings. And like Elizabeth Arden, which recently introduced KL Homme, a men's fragrance from the designer Karl Lagerfeld, they also give lavish parties: dinner for 700 at Versailles, a few weeks later a dinner and laser show at the International Design Center in New York and shortly after that, a repeat performance in Los Angeles.

For all this they pay enormous bills. "In fragrance today," Lagerfeld said, "if you don't have $10 million to $20 million to spend on a launch, spend it on something else."

Once fashion fragrances seemed to be forever; now their average life expectancy has shrunk to three to five years. After that a scent is either a classic, such as Estée Lauder's Youth Dew or Halston, or else it disappears. "The terrain is full of corpses of perfumes that haven't lasted," said Eugene P. Grisanti, the chairman and president of International Flavors and Fragrances, which created and manufactures such fragrances as Halston, Ralph Lauren, Paris and Chloe. "But if your fragrance lasts more than five years," he continued, "you've got a gold mine."

For designers, fragrance can mean even more. "Hit a fragrance home run, and everything does better," a top fashion and fragrance executive said. Consumers who cannot afford a designer's expensive fashions will often buy his or her fragrance, thus increasing awareness of the designer's name and adding clout with retailers.

For many fashion houses successful perfumes have even meant survival. After the end of World War II, when returning servicemen brought then-exotic European fragrances home, French couture houses learned what they could earn from perfume sales in the United States. Milton Stern, chairman of Parfums Stern, marketer of the Valentino, Perry Ellis and Oscar de la Renta fragrance lines, said, "The income out of fragrances supported the couture."

The Oscar de la Renta fragrance, which Parfums Stern put into limited distribution in 1977, quickly became a top seller. It exemplifies what fragrance can mean for a fashion company today. Designers earn a royalty on fragrance sales, generally 5 percent, but in some cases as little as 2 percent. "It's free money if it's done the right way," said Gerald Shaw, the president of and de la Renta's partner in Oscar de la Renta Ltd.

Fragrances are de la Renta's top-earning licensed products, bringing in more than $100 million at retail, Shaw said. At a 5 percent royalty rate that would mean $5 million in revenues to the company. In comparison, last year de la Renta and Shaw's two wholly owned clothing companies had sales in excess of $25 million, Shaw said, but out of that, the costs of materials, manufacturing and some promotion had to be paid.

Dreaming up a new perfume, or getting a designer to sponsor one, is not the hard part. Obtaining financing is.

"They need the guys that put up the bucks to launch and promote," Grisanti said. The sponsor takes "all the risks," he said. "The designer takes the cream off the top."

Development costs as high as $250,000 per fragrance are borne by each of the manufacturers competing for the designer's name. But there are considerable rewards for taking such risks.

"The formula remains the property of the supplier," Grisanti said. "Often the customer doesn't know the formula. Our return is the sale of the finished perfume oil." His company's fine fragrance sales topped $100 million last year, according to industry estimates.

Don Hogan Charles/The New York Times

Roseanne O'Brien watches Anne Muhlbach's reaction to new scent.

Greek Dig Yielding Roman 'Purple'

By Kerin Hope
The Associated Press

KOUFONISI, Greece — On this deserted Greek island archaeologists are slowly unearthing an unusual town where craftsmen dyed expensive fabrics a brilliant crimson adored by Roman emperors.

The excavation casts new light on an ancient Mediterranean textile industry known as the "purple trade," which flourished on Koufonisi in the first and second centuries.

Roman emperors were customers of the Greeks and the crimson cloth was considered so valuable that the Emperor Nero banned commoners from wearing it.

The dig, which began a decade ago, is unusual because logistical and financial considerations usually prevent excavations of this size on remote, uninhabited Greek islands.

But Nikos Papadakis, the government antiquities service archaeologist directing the dig, said Koufonisi is important. Archaeologists are learning about a place that possessed all the architectural features of a sophisticated Roman community — public baths and a theater — as well as the trappings of an early industrial center.

The "purple trade" that gave Koufonisi prominence was based on the shell of a spiny sea-snail known as a murex that yielded a red dye prized by the ancient Phoenicians, Greeks and Romans.

Although murex shells have been found at several Mediterranean excavations, the site on Koufonisi is the first where extensive dyeing installations have been unearthed.

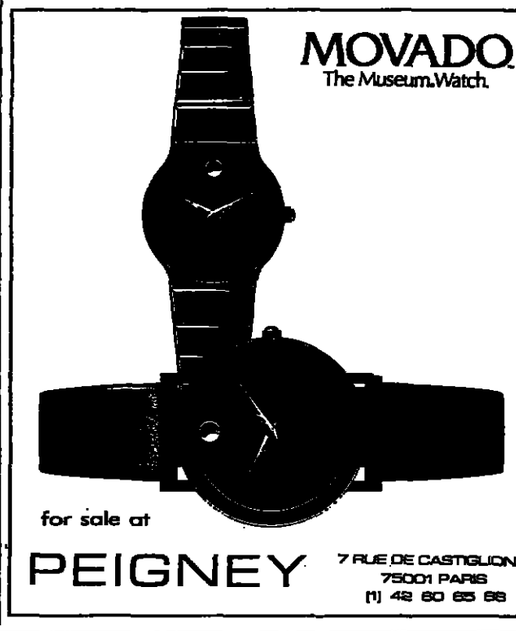
"The island was one of several places, like Tyre in Lebanon, where techniques were developed for extracting a gland containing the dye from the murex shell and fashioning strikingly bright colors," said Papadakis, who said the dig lasts about two weeks each year.

Koufonisi, a sandy, low-lying area of 1.5 square miles (4.8 kilometers), is three miles (4.8 kilometers) south of Crete.

Koufonisi's prosperity provoked rival claims on the island by quarreling Cretan cities in the second century.

The town was destroyed and abandoned at the end of the fourth century.

Artifacts from the excavation will be displayed in the museum at Sitia in eastern Crete.



Study Says 1 in 30 Climbers Never Return from Himalaya

The Associated Press

LONDON — One in 30 climbers who attempt the Himalaya never returns, says the British mountaineer John Town.

Town, a computer expert, worked out the figure after analyzing 562 expeditions to the 14 highest peaks in the Himalaya, from Everest down to Shisma Pangma.

His figures were published Monday in the London newspaper, Today, alongside reports that two Austrians, two Britons and two Poles died this month on K2, the second highest Himalayan peak.

Town's figures do not inclue the latest deaths. He said that most deaths occurred on Everest, with 79 fatalities out of the total of 280 on the 14 mountains, followed by Nanga Parbat with 47.

He said the most dangerous peak is Annapurna with an 8 percent death rate.

K2 with a death rate of less than 3 percent before the latest deaths there, had been the 10th most dangerous peak.

Town said that more than half the deaths were caused by what mountaineers called "objective" dangers beyond their personal control, the main hazard being avalanches which claimed nearly half the victims. Only 15 percent of victims died from falls, he said.

Seven percent of the lost climbers simply vanished, like Britons George Mallory and A. C. Irvine on Everest in 1924, Town said.

Wigan Pier Wins Tourist Award

The Associated Press

LONDON — A once derelict canal-side backwater, made famous by George Orwell in "The Road to Wigan Pier," has won a travel prize.

The British Tourist Authority said Monday it had awarded its annual Come to Britain Trophy to Wigan Pier, a complex of restored buildings beside the Leeds and Liverpool Canal in Wigan, 195 miles (313 kilometers) north of London.

The pier is a wharf on the canal, one of many cut in the 18th century to link Lancashire towns for the transport of goods. Orwell's 1937 book, describing the dreariness of working-class life, made Wigan Pier synonymous with stagnation and decay.

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Your vote will be cast in the constituency in which you were last registered before leaving the UK.

In order to qualify you will have to fill in a declaration form and return it by 10th October 1986 (15th September if you were previously resident in Northern Ireland).

Forms and an explanatory leaflet are available from your nearest diplomatic or consular post.

PLEASE LET OTHER BRITISH CITIZENS KNOW THAT THEY MAY ALSO BE ELIGIBLE TO VOTE IN THE UK.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
MidSUt	25012	14½	13¾	14⅝	+ ⅜
ICN	22134	30½	26⅞	28⅝	−2⅜
PhilaEl	17934	23¼	22⅞	23¼	+ ½
Arkla	17301	20⅝	19⅞	20	+ ¼
Mobil	14522	35¼	34⅝	34⅞	− ⅛
IBM	14459	135⅝	133⅝	135⅝	+2¼
OhioEd	13938	21⅜	20⅝	21¼	+ ¼
GTE	11482	55⅝	54⅝	55⅝	+ ⅜
PacGE	10985	25⅝	25⅛	25⅝	+ ⅜
Schlmb	10636	32¼	31½	32	− ⅜
AT&T	10565	23⅝	22⅞	23½	+ ⅜
Safewy	9705	66	65⅛	65⅞	+ ⅜
Exxon	8936	66¼	65⅜	65⅞	+ ⅝
Chevrn	8749	43⅝	43⅛	43¾	+ ¾
SouthCo	8579	25⅞	25⅜	25⅝	+ ⅛

Market Sales

NYSE 4 p.m. volume	112,840,000
NYSE prev. cons. close	147,243,300
Amex 4 p.m. volume	9,050,000
Amex prev. cons. close	9,070,000
OTC 4 p.m. volume	85,398,100

NYSE Index

	High	Low	Close	Ch'ge
Composite	142.47	141.39	142.32	+ 0.10
Industrials	162.06	160.80	161.82	Unch.
Transp.	112.45	111.41	112.32	− 0.51
Utilities	78.31	77.52	78.21	+ 0.43
Finance	155.01	154.27	154.91	− 0.17

Monday's NYSE Closing

Via The Associated Press

AMEX Diary

	Close	Prev.
Advanced	259	296
Declined	315	270
Unchanged	236	234
Total Issues	810	800
New Highs	18	15
New Lows	9	7

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	379.27	− 0.91	369.94	295.43
Industrials	375.60	− 1.07	366.20	302.01
Finance	521.52	− 0.38	508.92	380.09
Insurance	442.88	− 1.92	426.32	345.82
Utilities	343.78	− 0.52	339.32	287.98
Banks	436.06	− 0.97	425.73	298.35
Transp.	321.64	− 2.40	318.84	272.66

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
A xon Pr	8066	54½	54	54	
BAT	7632	6⅝	6	6⅜	+ ⅛
WangB	4150	13⅝	13⅛	13⅝	− ⅛
Wickes	3148	5⅝	5	5⅛	
EchoB g	2907	17⅞	17⅜	17⅞	− ⅛
DomeP	2532	1⅛	⅞	1	
JetAm	1898	4⅛	4	4	+ ⅛
Amdahl	1664	18¼	17⅝	18	+ ⅛
Media pf	1302	8⅝	8⅜	8⅝	+ ¼
Spelng n	1232	14	14	14	
ForVil s	1192	11	10⅝	11	
SFN plA	1113	7⅜	7¼	7⅜	− ⅛
AExFF wt	1087	5	4⅞	5	
PhilLD	1068	9⅝	9	9¼	− ¼
TexAir	1059	30⅞	29¼	29½	−1⅝

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	90.53	+ 0.26
Utilities	92.14	+ 0.25
Industrials	88.91	+ 0.27

NYSE Diary

	Close	Prev.
Advanced	787	895
Declined	828	683
Unchanged	369	390
Total Issues	1984	1968
New Highs	98	98
New Lows	21	20

Odd-Lot Trading in N.Y.

	Buy	Sales	*Short
Aug. 15	338,114	407,502	2,477
Aug. 14	231,297	398,304	6,722
Aug. 13	289,065	481,361	22,645
Aug. 12	298,092	470,332	8,829
Aug. 11	242,224	404,198	1,670

*Included in the sales figures

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1857.99	1875.14	1842.66	1869.52	+ 13.92
Trans	753.75	757.75	745.38	753.38	− 2.62
Util	210.31	212.23	208.94	211.13	− 0.11
Comp	717.86	723.74	711.61	720.79	+ 2.37

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	273.59	270.90	273.02	+ 0.16
Transp.	188.87	186.17	187.83	− 1.04
Utilities	119.24	117.93	119.21	+ 0.74
Finance	29.52	29.20	29.44	− 0.07
SP 500	247.83	245.48	247.38	+ 0.23
SP 100	—	—	n.a.	—

NASDAQ Diary

	Close	Prev.
Advanced	842	1,031
Declined	1,130	965
Unchanged	2,394	2,368
Total Issues	4,366	4,364

AMEX Stock Index

High	Low	Close	Ch'ge
271.65	269.38	271.54	− 0.16

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Blue Chips Rally, NYSE Mixed

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange were mixed Monday in moderate trading, but blue-chip issues, led by International Business Machines Corp., staged a late rally.

The Dow Jones industrial average, which climbed 72.98 last week, closed up 13.92 to 1,869.52.

But declines led advances by an 8-to-7 ratio. Volume was 113.2 million, down from the 123.5 million traded on Friday.

Prices were mixed in moderate trading of American Stock Exchange issues.

Some analysts said that end-of-session organized buying programs accounted for the rise in blue chips. Oil stocks continued to provide significant support.

Middle South Utilities, topping the most-active list with more than 2.4 billion shares traded, rose ⅜ to 14⅝.

ICN Pharmaceuticals, the second most-active stock, fell 2⅜ to 28⅝. Analysts said that the stock was the target of some profit-taking after rising considerably last week. Last Wednesday, ICN was recommended by Paine Webber based on an outlook for stronger 1986 earnings and the potential of its new anti-viral drug.

IBM rose 2¼ to 135⅝. Traders said that some on Wall Street had favorably changed their opinion about IBM's earning prospects following an Aug. 13 filing with the Securities and Exchange Commission on the company's first-half results.

Programmed buying about an hour before the close of the market sent blue chips higher, said Monte Gordon of Dreyfus. "But the volume was very light and the focus was almost entirely on the Dow," he said.

IBM led the way for the blue-chip issues. Mr. Gordon said optimism that action would be taken to improve the economy and the feeling that IBM as a stock was undervalued had combined to attract buyers.

"Computer companies, paper, those that would be helped by the economy, are attracting buyers," he said. "With oil prices up, fears of recession have been reduced."

Michael Metz of Oppenheimer, also citing IBM and the paper stocks, said that the economically sensitive issues were doing better and would get additional help from the lower dollar. "It reflects greater confidence that the economy will turn up," he said.

Mr. Metz said he expects some degree of consolidation for the short-term after the recent ascent. But, he said, "it looks like the next move in interest rates will be a cut in concert with the Germans and Japanese." That should keep the enthusiasm in the market, he said.

The three blue-chip oil stocks continued their upward trend as oil prices moved higher. Chevron rose ¾ to 43¾, Texaco 1¼ to 31⅜ and Exxon was up ⅝ to 65⅞.

Precious metal stocks declined as gold prices fell. Low U.S. inflation and a firm dollar undermined the metal.

Speculation that the Soviet Union would sell gold to get foreign currency and that South Africa would intensify its sales added to the negative sentiment about gold.

Newmont Mining fell 2¼ to 49¾ and Giant Yellow Mountain fell 1⅜ to 13⅛.

A

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
26½	13½	AAR s	.44	2.0	17	66	22¼	21⅝	21⅞	− ⅛
30	21¾	ADT	.92	3.7		107	24⅞	24½	24⅞	+ ½
33	11½	AFG s	.08i	.3	17	265	31¾	30⅝	31⅛	− ⅜
25⅞	13¾	AGS			14	302	19¾	19½	19¾	− ⅜
60⅝	37½	AMR			14	3047	54½	53⅝	54¼	− ⅜
27½	23¼	ANR pf	2.67	10.3		2	26	25½	26	+ ½
24	19¼	ANR pf	2.12	9.1		36	23½	23¼	23¼	+ ¼
12½	8½	APL			6	44	11⅝	11½	11½	− ⅛
16¾	10	ARX	.711	6.8	9	197	10⅜	10¼	10⅜	− ⅜
44⅞	28⅜	ASA	2.00a	6.3		1072	31⅞	31½	31½	−1
18¾	9¼	AVX		2.9		103	11⅛	10⅞	10⅞	− ⅛
32	22⅝	AZP	2.72	8.9	9	1778	30⅝	30	30⅝	+ ⅜
55	26¾	AbtLb s	.84	1.7	23	3525	51⅛	50⅛	50⅞	− ⅜
32	19⅝	AccoWd	.56	2.1	17	83	26¼	26	26¼	− ⅛
14⅞	9	AcmeC	.40	4.7		39	9⅞	9½	9⅞	+ ¼
9¼	7	AcmeE	.32b	4.3	18	15	7⅜	7½	7½	
21⅞	17	AdaEx	1.90e	9.0		124	21⅜	20⅞	21⅛	
33⅞	16	AdmMl	.40	1.3	14	57	31⅛	30⅝	30⅞	− ⅜
20⅛	11⅜	AdvSys	.33f	5.4	14	29	15⅜	15¼	15⅜	
32⅞	14½	AMD				2383	16⅝	16	16	− ⅜

Continued on next left-hand page)

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Dow Leaps 13.92; Story on Page 8

4 P.M. PRICES UP

INTERNATIONAL STOCK MARKETS

Singapore Tightens Control Of Securities Markets

Reuters

SINGAPORE — Two new acts giving the Singapore government greater powers over the securities and financial-futures market came into force Monday. The Securities Industries Act and the Futures-Trading Act were passed by parliament in March but received final administrative approval only recently after long consultations with lawyers, bankers, brokers and bond dealers.

The Securities Industries Act, whose details were made available over the weekend, provides a tighter legal framework for the securities industry following the collapse of Pan-Electric Industries Ltd.

Pan-Electric, a marine and industrial conglomerate, went into receivership in November owing 390 million dollars ($185.7 million), triggering a crisis on the Stock Exchange of Singapore.

Authorities have emergency powers to intervene in the markets.

The new legislation says that brokerage firms must set aside in a reserve fund part of their profits. This profit set-aside ranges from 50 percent for firms with a paid-up capital of less than 15 million dollars and a reserve fund under half the paid-up capital, to 5 percent for firms with a paid-up capital of more than 15 million dollars and a reserve fund exceeding paid-up capital.

A brokerage firm would lose its stock-exchange license if its aggregate debts exceed 12 times its adjusted net capital or if the latter falls below 250,000 dollars for four consecutive weeks.

STOCKBROKING FIRMS are required to report to the Monetary Authority of Singapore once their debts exceed nine times the adjusted net capital or if their adjusted net capital falls below 400,000 dollars.

Exposure to a single client cannot exceed 30 percent of the firm's adjusted net capital. Also, firms can lend only up to 5,000 dollars to directors and their families without security.

Authorities now have powers to oversee and amend stock-exchange rules and impose stiff fines, but they have given brokerage firms a year to comply with the gearing ratios and new rules on unsecured loans to directors.

The Futures Trading Act, designed to prevent manipulation of the Singapore International Monetary Exchange, remains largely unchanged. It prescribes a maximum 100,000-dollar fine and seven years' imprisonment for unscrupulous trading.

Now the Monetary Authority of Singapore has emergency powers to step in if it believes that the market has been manipulated, and it may conduct routine inspections and investigations of the exchange and brokers.

■ **India Fund Oversubscribed**

India Fund, the Guernsey-registered £75-million ($111.7-million) foreign-investment fund launched by state-owned Unit Trust of India, was said Monday to have been heavily oversubscribed, Reuters reported from London.

An official at the fund managers, Merrill Lynch Capital Markets, who spoke on condition that he not be identified, said total applications exceeded £120 million. Merrill Lynch Capital Markets is a unit of Merrill Lynch & Co., New York.

After scaling back some of the applications from protected U.S. institutions, subscriptions eligible for shares in the fund were valued at about £94 million, he said.

The basis of the allocation, which will favor small investors, will be announced Tuesday or Wednesday, he said.

The listing of the shares on the London Stock Exchange will take place immediately after the announcement of the allocation basis and trading in the shares will likely start next week, the official said.

Currency Rates

Cross Rates *Aug. 18*

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.324	3.434	112.48 *	34.44 *	0.1637 *	—	5.442 *	139.70 *	151.80 y
Brussels(a)	42.895	63.395	20.706	6.364	3.0078 *	18.376	—	25.6775	27.77 *
Frankfurt	2.0628	3.082	—	30.72 *	1.4525 x	88.765 *	4.83 *	124.80 *	1.341 *
London (b)	1.4935	—	3.0903	10.0538	2,122.00	3.4805	63.92	2.50	229.99
Milan	1,420.00	2,122.38	688.58	211.61	—	611.25	33.263	853.40	9.234
New York(c)	—	0.6711 ≠	2.0725	6.7435	1,426.00	2.3345	42.895	1.6735	154.45
Paris	6.7105	10.082	3.2540	—	4.7205 x	2.889	15.722 *	4.0348	4.365 *
Tokyo	153.90	230.23	74.74	23.00	10.88 *	66.28	361.10 *	92.85	—
Zurich	1.667	2.4978	80.825 *	24.82 *	0.1173 *	71.675 *	3.9825 *	—	1.0832 *
1 ECU	1.0227	0.6841	2.1089	6.8636	1,451.26	2.3761	43.4406	1.7008	157.399
1 SDR	1.21084	0.80999	2.49687	8.11997	N.Q.	2.8121	51.4627	2.0135	186.346

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (≠) To buy one pound: $U.S.1.49

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.975	Fin. markka	4.925	Mex. peso	670.00	Soviet ruble	0.6785
Austral. $	1.6147	Greek drac.	134.35	Norw. krone	7.327	Span. peseta	133.15
Austr. schil.	14.50	Hong Kong $	7.7975	Phil. peso	20.10	Swed. krona	6.92
Belg. fin. fr.	42.92	Indian rupee	12.53	Port. escudo	145.75	Taiwan $	37.19
Brazil cruz.	14.91	Indo. rupiah	1,130.80	Saudi riyal	3.7535	Thai baht	26.055
Canadian $	1.3935	Irish £	0.7457	Sing. $	2.155	Turkish lira	668.95
Chinese yuan	3.7036	Israeli shek.	1.4935	S. Afr. rand	2.611	UAE dirham	3.673
Danish krone	7.75	Kuwaiti dinar	0.2908	S. Kor. won	879.80	Venez. boliv.	19.60
Egypt. pound	1.35	Malay. ringg.	2.5735				

£ Sterling: 1.1123 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *Aug. 18*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	6 5/16-6 7/16	4 9/16-4 11/16	4⅝-4¾	9⅞-10	7-7⅛	7⅛-7¼	5 ⅞
2 months	6⅜-6½	4 9/16-4 11/16	4 9/16-4 11/16	9 13/16-9 15/16	7-7⅛	7 1/16-7 3/16	5 15/16
3 months	6 5/16-6 7/16	4 9/16-4 11/16	4 9/16-4 11/16	9 13/16-9 15/16	7 1/16-7 3/16	7 1/16-7 3/16	5 ⅞
6 months	6 5/16-6 7/16	4 9/16-4 11/16	4½-4⅝	9⅝-9¾	7⅛-7¼	7 1/16-7 3/16	5⅞
1 year	6⅜-6½	4 9/16-4 11/16	4 9/16-4 11/16	9⅝-9¾	7 3/16-7 5/16	7-7⅛	5 ⅞

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *Aug. 18*

United States	Close	Prev.
Discount Rate	6	6
Prime Rate	8	8
Broker Loan Rate	7¼	7¼
Federal Funds	6 5/16	6 7/16
Com Paper 90-179 days	5.73	5.83
3-month Treasury Bills	5.40	5.55
6-month Treasury Bills	5.56	5.52
3-month CD's	5.80	5.40
3-month CD's	5.70	5.40
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	4.55	4.50
1-month Interbank	4.60	4.60
3-month Interbank	4.65	4.60
6-month Interbank	4.65	4.70
France		
Intervention Rate	7	7
Call Money	7⅛	7
1-month Interbank	7 1/16	7 3/16
3-month Interbank	7 1/16	7 3/16
6-month Interbank	7⅛	n.a.
Britain		
Bank Base Rate	10	10
Call Money	10	10
91-day Treasury Bill	9 5/16	9 5/16
3-month Interbank	9 31/64	9 31/64
Japan		
Discount Rate	3½	3½
Call Money	4⅝	4⅝
3-month Interbank	4¾	4¾

Sources: Reuters, Commerzbank, Crédit Lyonnais, Bank of Tokyo.

Asian Dollar Deposits *Aug. 18*

1 month	6 ⅜ - 6 ½
2 months	6⅜ - 6½
3 months	6 ⅜ - 6 ½
6 months	6 ⅜ - 6 ½
1 year	6 ½ - 6 ⅝

Source: Reuters.

U.S. Money Market Funds *Aug. 18*

Merrill Lynch Ready Assets
30 day average yield: 5.99

Telerate Interest Rate Index: 6.027

Source: Merrill Lynch, Telerate.

Gold

Aug. 18

	A.M.	P.M.	Ch'ge
Hong Kong	383.05	378.55	— 7.70
Luxembourg	378.50	—	— 6.25
Paris (12.5 kilo)	378.77	378.21	— 3.43
Zurich	381.15	377.75	— 7.50
London	377.25	377.25	— 7.85
New York	—	376.25	— 7.25

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

Markets Closed

Financial markets were closed Monday in Egypt, Jordan, Kuwait, Pakistan and Turkey because of a holiday.

Taiwan Acts on Trade

Step Seen Cutting Its U.S. Surplus

Agence France-Presse

TAIPEI — Taiwan plans to halve its trade surplus with the United States to $5 billion a year by further opening its markets to U.S. goods and services, economic officials in Taiwan said Monday.

Economics Minister Lee Ta-hai said Monday that the government would draft measures to encourage imports by cutting duties, in a bid to reduce the country's foreign-exchange reserves of $33 billion.

Commenting on the minister's announcement, other economic officials said the government's long-term plan was to narrow the trade imbalance with the United States to $5 billion a year. They added that new market-opening policies for U.S. goods would be announced in two weeks.

Taiwan had a trade surplus with the United States last year totaling $10 billion. Overall trade between the two countries amounted to $19.5 billion, the officials said.

At talks in Washington earlier this month Taiwan made concessions to avoid trade restrictions from its largest market. The United States takes almost 50 percent of Taiwan's exports.

Among the concessions, Taiwan agreed to abolish a special duty-payment table, lower tariffs on 58 product categories by an average of 20.4 percent, and ease restrictions on the operations of U.S. insurance, banking and film businesses in Taiwan.

In exchange the United States agreed to $1.8 billion worth of preferential trade for Taiwan.

But Vincent Siew, director of the Taiwan Board of Foreign Trade, said on his return from the talks that the United States was not yet satisfied with Taiwan's concessions, and that further tariff cuts and market-opening measures would have to be introduced.

The United States has asked for a 15- to 20-percent revaluation of the Taiwanese dollar but Taipei has made no commitment to do so for fear of jeopardizing its export-based economy.

Economic officials said they hoped the latest trade liberalization moves would ease the pressure on Taiwan from the United States to increase the value of the local unit.

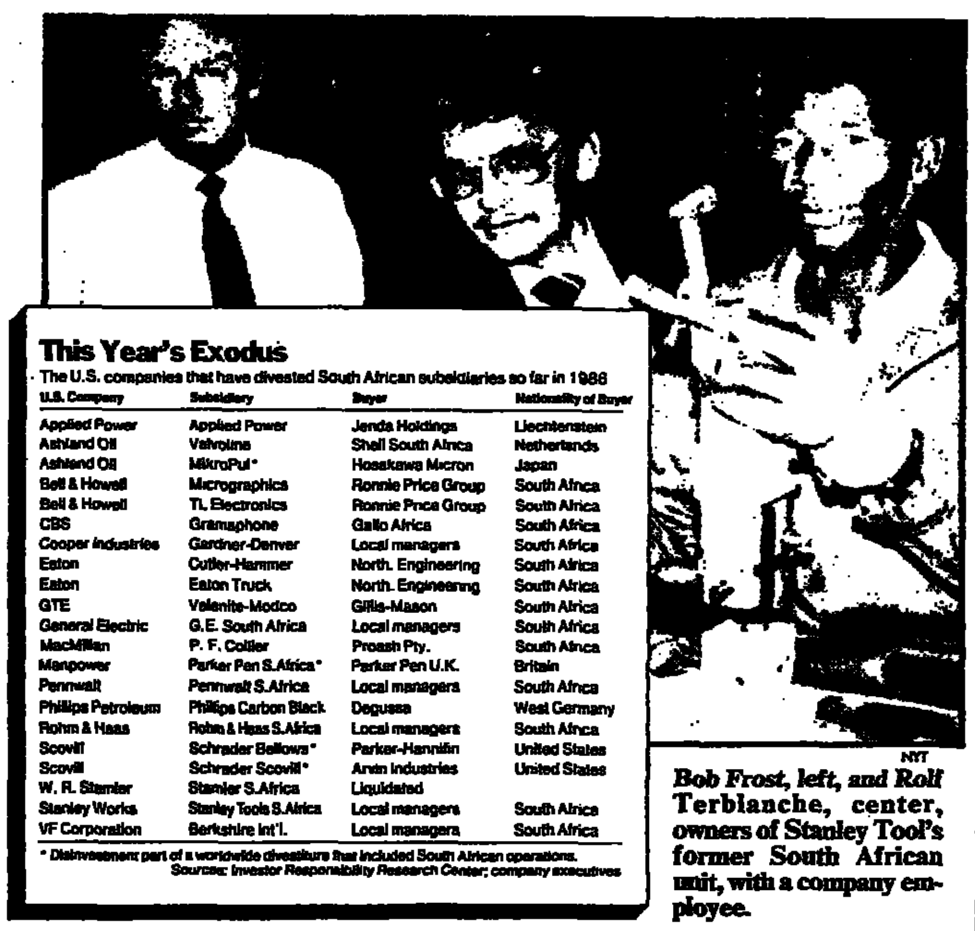
The Taiwanese dollar has been rising in value since January and only the intervention of Taiwan's central bank has prevented a sharp appreciation in the past month.

The exchange rate was about 37.19 Taiwan dollars to the U.S. unit Monday.

The governor of the central bank, Chang Chi-cheng, has said that the appreciation must be gradual.

But some officials feared that the country's medium and small businesses would be seriously hurt if the rate hit 37.00 to the U.S. dollar.

Manufacturers of textiles and clothing, Taiwan's largest export items, have told the authorities that if the rate falls below 37.00 to the U.S. unit, their profits will be badly affected.



This Year's Exodus

The U.S. companies that have divested South African subsidiaries so far in 1986

U.S. Company	Subsidiary	Buyer	Nationality of Buyer
Applied Power	Applied Power	Jenda Holdings	Liechtenstein
Ashland Oil	Valvoline	Shell South Africa	Netherlands
Ashland Oil	MikroPul*	Hosakawa Micron	Japan
Bell & Howell	Micrographics	Ronnie Price Group	South Africa
Bell & Howell	TL Electronics	Ronnie Price Group	South Africa
CBS	Gramaphone	Gallo Africa	South Africa
Cooper Industries	Gardner-Denver	Local managers	South Africa
Eaton	Cutler-Hammer	North. Engineering	South Africa
Eaton	Eaton Truck	North. Engineering	South Africa
GTE	Valenite-Modco	Gillis-Mason	South Africa
General Electric	G.E. South Africa	Local managers	South Africa
MacMillan	P. F. Collier	Proash Pty.	South Africa
Manpower	Parker Pen S.Africa*	Parker Pen U.K.	Britain
Pennwalt	Pennwalt S.Africa	Local managers	South Africa
Phillips Petroleum	Phillips Carbon Black	Degussa	West Germany
Rohm & Haas	Rohm & Haas S.Africa	Local managers	South Africa
Scovill	Schrader Bellows*	Parker-Hannifin	United States
Scovill	Schrader Scovill*	Arvin Industries	United States
W. R. Stamler	Stamler S.Africa	Liquidated	
Stanley Works	Stanley Tools S.Africa	Local managers	South Africa
VF Corporation	Berkshire Int'l.	Local managers	South Africa

* Disinvestment part of a worldwide divestiture that included South African operations.
Sources: Investor Responsibility Research Center; company executives

NYT

Bob Frost, left, and Rolf Terblanche, center, owners of Stanley Tool's former South African unit, with a company employee.

U.S. Firms Keep a Foot in the Door

Profitable Ties Survive South Africa Disinvestment

By Keith H. Hammonds
New York Times Service

JOHANNESBURG — Three months ago, Stanley Works pulled out of South Africa. The New Britain, Connecticut maker of hand tools sold its local subsidiary to three senior managers.

Stanley kept a foot in the door, though. Its former subsidiary, Stanley Tools SA, is now Tuf Tools — but it has an exclusive, long-term distribution contract that lets it assemble and sell U.S. and European-made Stanley hammers, drills and tape measures, just as before.

"Basically, Stanley wanted to keep their product in the country, but they wanted to take their name off because of the political pressure," said Bob Frost, one of the executives who purchased the Stanley business in South Africa.

Except for the reduction in paperwork, Mr. Frost says, he hardly notices the absence of his U.S. corporate parent. Management is the same and the 24 employees at the warehouse and assembly operation outside Johannesburg are paid the same, except for two salesmen who were made commissioned agents.

Mr. Frost would not discuss the terms of the sale, except to say his group is paying for its purchase out of profits: Every month, part of the company's receipts go into a special account that will be transferred to the parent when the purchase price is reached — by Christmas, he hopes.

In the last two years, the movement to get U.S. corporations to shed their South African operations has gained strength and credibility on university campuses and at shareholder meetings. Fifty-five U.S. companies have closed or sold their South African operations since 1984, according to the Investor Responsibility Research Center, a non-profit study group in Washington.

But so far, the disinvestment campaign in the United States has had little practical effect on the way business is done in South Africa. For in most cases, the disinvestment has been along the lines of Stanley Tools.

Of the 17 companies that have disinvested in 1986, 13 have retained substantial business connections through distribution, licensing or technology agreements. South African consumers can still buy CBS records, Lee jeans and Collier encyclopedias, even though the U.S. companies behind those products no longer operate here.

"With very few exceptions, the products and services of companies that have withdrawn are still available," a U.S. government official in Johannesburg said.

Only one of the 17, W.R. Stamler, has actually shut down its local operation this year — and it had just eight employees. For most companies, management and employment have remained intact under new ownership. Six of the subsidiaries were purchased by their own managers.

"In the end, the fact that Ashland is no longer here has had very little effect beyond the cosmetic," observed Robin Martin, managing director of the Valvoline subsidiary sold by Ashland Oil last June.

Most of the companies sold so far have been small distribution or marketing operations, which can continue with little disruption under a distribution agreement — and which, as a practical matter, can only be sold with such an agreement. The U.S. manufacturers with extensive plants, for whom disinvestment would be far harder, have not yet pulled out of South Africa.

Still, bankers in South Africa say that disinvestment will continue.

For the American companies involved, disinvestment can be a godsend: In one stroke, they escape anti-apartheid pressure in the United States, cut the risk of operating in an unstable economy, and improve profit margins by selling through low-overhead distribution and licensing agreements.

The sale also relieves headquarters of an operation that typically produces less than 1 percent of total corporate sales. Indeed, for many companies, the apartheid issue has simply prompted a business decision that makes good economic sense.

There is no consensus about whether South African workers fare better or worse when the U.S. owners leave. But even some of the groups calling for U.S. companies to get out of South Africa concede that there may be a negative impact. For example, companies that have signed the Sullivan principles, committing themselves to fighting apartheid often stop contributing to social programs when they cut loose from a U.S. parent company.

The two largest companies to pull out of South Africa this year were General Electric Co. and VF Corp. — but neither has cut all ties.

GE negotiated 42 distribution agreements cov-

See SOUTH AFRICA, Page 13

Ex-Cell-O Agrees To Be Acquired By Textron Inc.

The Associated Press

PROVIDENCE, Rhode Island — Textron Inc. said Monday that it had signed a definitive agreement to acquire Ex-Cell-O Corp. for about $1.03 billion in cash, a sweetening of an earlier $900-million bid that had been rejected.

Textron said it would pay $77.50 cash for each of about 13.3 million shares of Ex-Cell-O stock outstanding.

On Thursday, Ex-Cell-O had rejected as inadequate Textron's original offer of $68 a share.

Textron is a Rhode Island-based conglomerate with operations in aerospace technology, commercial products and financial and other services.

Ex-Cell-O, based in Troy, Michigan, makes precision products for aerospace and military, automotive and industrial applications.

Ex-Cell-O shares fell to $77 in active trading Monday on the New York Stock Exchange, down 12.5 cents from Friday's close. Textron fell to $55.625 a share, down $1.25 from Friday.

Textron said a subsidiary would acquire Ex-Cell-O shares in a cash tender offer at $77.50 a share, and shares not acquired in the tender offer would be purchased at $77.50 a share in the subsequent merger.

The offer will be made after definitive offering documents are filed with the Securities and Exchange Commission, it said.

As part of the merger, E. Paul Casey, Ex-Cell-O's chief executive officer, will become a Textron director. Two other Ex-Cell-O directors, Joseph D. Williams and Martin D. Walker, also will join the Textron board.

Mr. Williams is chairman of Warner-Lambert Co. and Mr. Walker is chairman of M.A. Hanna Co.

"We are delighted at the excellent fit of our two companies and particularly welcome the fine people of Ex-Cell-O and their management to the Textron team," Textron's president, B.F. Dolan, said.

Mr. Dolan said Textron decided to increase its offer after reviewing Ex-Cell-O's management and operations.

"Mr. Casey has built soundly and well," Mr. Dolan said.

Mr. Casey said the Ex-Cell-O board unanimously approved the increased offer.

"We see in Textron a dynamic and growing company whose strategy, philosophy and culture are very similar to our own," Mr. Casey said.

The merger will be Textron's first major acquisition since it bought the Connecticut-based Avco Corp. in January 1985 for $1.4 billion.

Textron, considered the father of the business conglomerate, has focused on aerospace products and financial services since the acquisition. It has sold several subsidiaries to cover the debt incurred by the Avco purchase.

Textron officials say the Avco debt has nearly been retired.

Ex-Cell-O was founded in 1919. It reported a profit of $57.6 million last year on sales of $1.14 billion, despite losses suffered by its interests in the troubled machine-tool industry.

Textron, which also makes consumer products such as chainsaws, watchbands and lawnmowers, reported earnings of $252 million last year on sales of $5.5 billion.

U.S. Capacity-Use Rate Fell Again Last Month, to 78.2%

Compiled by Our Staff From Dispatches

WASHINGTON — The operating rate of U.S. factories, mines and utilities fell to 78.2 percent of capacity in July as all three sectors suffered declines, the Federal Reserve Board said Monday.

In June, industries operated at a revised 78.4 percent of capacity, which was up from the 78.3 percent reported earlier.

The rate, which is now at its lowest level since 77.9 percent in November 1983, has fallen 2.6 percentage points in the last six months and 3.25 points since reaching 82 percent in July and August of 1984 — the high point since the 1981-82 recession.

Since that high point, rates have fallen 12 percentage points for mining — mostly because of price-caused declines in oil-well drilling — and nearly 2 percentage points for utilities.

The low capacity-use rate was seen as more evidence of weakness in the industrial sector, which has held overall economic growth to a sluggish pace.

On Friday, the Fed reported that industrial production fell 0.1 percent in July, marking the third consecutive monthly decline.

Because of underutilized capacity, businesses are not undertaking greater capital spending, which would accelerate growth.

A sharp drop in automobile production, accompanied by declines at petroleum refineries and rubber and plastics factories, caused the manufacturing rate to fall to 78.5 percent last month from 78.7 percent in June.

Auto-plant utilization declined 3.4 percentage points — to 76.1 percent of capacity — nearly wiping out the 4.2-point gain of the previous month.

However, capacity use in the primary metals and electrical-machinery industries rose to 67.6 percent and 68.5 percent, respectively, as workers who were on strike in June returned to their jobs.

The capacity rate for mining dropped to 73.8 percent in July from 74.1 percent in June, while utilities fell to 81 percent from 81.2 percent. *(Reuters, AP).*

Singapore Expanding Its Agribusiness

By Barbara Crossette
New York Times Service

SINGAPORE — The members of the cabin staffs of China's national airline want professional training. They come to Singapore.

An Indonesian woman needs a complex bone operation. She comes to Singapore.

A Malaysian businessman wants to see the newest printing technology. He comes here, too.

All are welcomed by Singapore, as it works hard to rebound from last year's shock of no economic growth after more than a decade of boom. The government of Prime Minister Lee Kuan Yew wants Singapore to be Asia's services and consultancy center, offering more than just finance, banking and technology — all strong areas now.

Relying on the country's most important resources — its expertise and its well-educated labor force — government planners are eagerly seeking foreign investment and new trading links. One would be with China, with which Singapore already shares common ethnic and language ties, and another with the United States.

High on the list of preferred new projects is the development of five industrial parks to be used for agrotechnology, according to Ngiam Tong Tan, director of Singapore's Primary Production Department. Singapore, which is smaller geographically than New York City, has very little farmland and will have none at all in the traditional sense by the end of the century.

In an interview, Dr. Ngiam said he was looking for agribusinesses that could produce and market as well as conduct research, and would like to attract interest from the United States and Israel.

"That's where the expertise and experience are," said Dr. Ngiam, a veterinarian trained in Sydney and London. "Farming in Singapore will be viewed as a business."

The agrotechnology parks will not only produce some high-value vegetables, flowers and seafood for home consumption or export, but also will serve as demonstration, education and information centers for less-developed nations.

Singapore, which already imports most of its food, has no plans to stop buying relatively inexpensive meats, fruits and vegetables from neighboring countries, Dr. Ngiam said.

But as affluent Singapore residents demand a more cosmopolitan cuisine, the government hopes to cut down on expensive imports from temperate climates by producing lettuce, tomatoes and other plants hydroponically — that is, on artificial "soil" under controlled climatic conditions.

Singapore's agrotechnology parks will be designed to be attractive as well as productive. Fields of orchids may alternate with high-tech poultry farms.

Traditional chicken farming, Dr. Ngiam said, is thought to be unpleasant. "It smells, and is a source of water pollution," he said. Pig farming is now being phased out for much the same reasons. "In two or three years, there will be no pigs in all of Singapore," he said.

Fish and prawn farms also are in Singapore's agrotechnology plan. Some fish farming is already done

See SINGAPORE, Page 13

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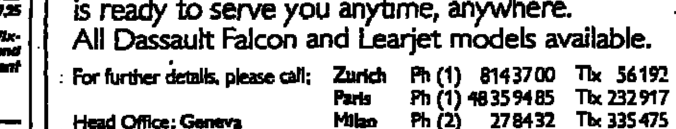

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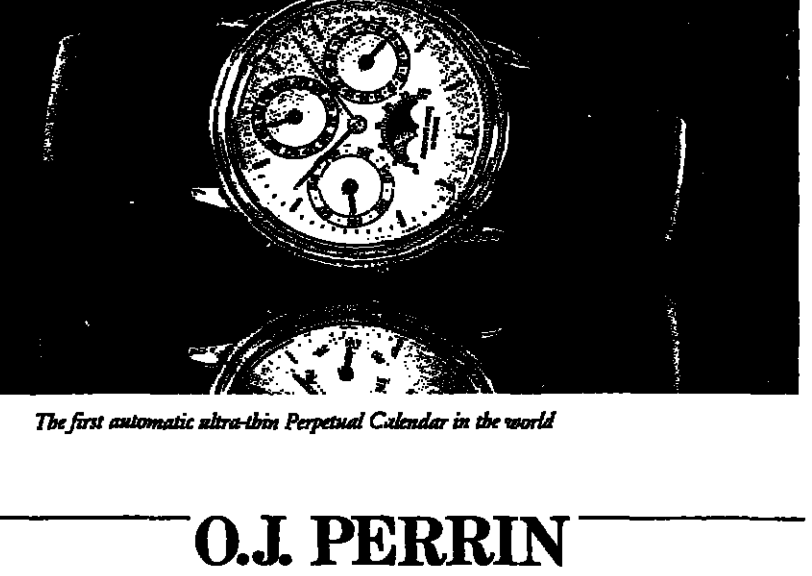

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Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

[illegible: NYSE stock listings, sections O–Z]

NYSE Highs-Lows

NEW HIGHS 98

[illegible: list of new highs]

NEW LOWS 21

[illegible: list of new lows]

U.S. Futures

Via The Associated Press

Aug. 18

[illegible: futures tables — Grains, Livestock, Food, Metals, Financial, Industrials, Stock Indexes]

Commodity Indexes

	Close	Previous
Moody's	902.60 f	899.90
Reuters	1,445.60	1,448.10
D.J. Futures	116.13	115.50
Com. Research	N.A.	204.45

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT: Chicago Board of Trade
CME: Chicago Mercantile Exchange
IMM: International Monetary Market Of Chicago Mercantile Exchange
NYCSCE: New York Cocoa, Sugar, Coffee Exchange
NYCE: New York Cotton Exchange
COMEX: Commodity Exchange, New York
NYME: New York Mercantile Exchange
KCBT: Kansas City Board of Trade
NYFE: New York Futures Exchange

Currency Options

Aug. 18

PHILADELPHIA EXCHANGE

[illegible: currency options table]

r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

Commodore Has Profit, First Since 1984 Period

The Associated Press

NEW YORK — Commodore International Ltd., struggling to revive its microcomputer business, said Monday it posted a profit of $1.2 million in its latest quarter, its first quarterly profit since 1984.

Commodore's slim profit in the fourth quarter ended June 30 equaled 4 cents a share and contrasted with a loss of $124 million in the year-earlier quarter. Net sales rose 58 percent to $209 million from $132 million a year earlier.

For its full fiscal year, Commodore reported a loss of $127.9 million, bigger than the previous year's loss of $113.9 million. Revenue rose less than 1 percent to $889.3 million, from $883.1 million a year earlier.

Commodore, based in West Chester, Pennsylvania, makes microcomputers such as the C64 and Amiga, which run on a standard different from the one set by International Business Machines Corp.'s PC.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Netherlands

Algemene Bank Ned.

1st Half	1986	1985
Profits	248.0	229.0
Per Share	28.54	28.71

1st Half	1986	1985
Revenue	11,196.	10,448.
Net Inc.	210.0	133.3
Per Share	1.58	1.04

1985 nets include losses of $4.5 million in quarter and of $5.9 million in six months.

United States

Anderson Clayton

4th Quar.	1986	1985
Revenue	239.0	280.0
Oper Net	1.33	10.70
Oper Share	0.11	0.88
Year	1986	1985
Revenue	1,060.	1,190.
Oper Net	20.0	28.7
Oper Share	1.63	2.36

Tandy

4th Quar.	1986	1985
Revenue	690.8	603.8
Net Inc.	26.8	53.2
Per Share	0.30	0.60
Year	1986	1985
Revenue	3,040.	2,600.
Net Inc.	197.7	189.1
Per Share	2.22	2.11

K mart

2nd Quar.	1986	1985
Revenue	5,980.	5,440.
Net Inc.	118.40	74.80
Per Share	0.88	0.58

Nets include losses of $7.2 million vs $1.1 million in quarters and of $2.9 million vs gain of $2.1 million in full years.

Ex-Workers Let Copter Land on Offshore Rig

Agence France-Presse

PERTH, Australia — Dismissed workers who seized a giant offshore gas rig allowed a helicopter carrying government officials and union representatives to land on the platform late Monday, Australian officials said.

Observers said that the change of strategy by the workers, who had gathered on the helicopter pad twice Sunday to keep helicopters from landing, suggested that negotiations to end the dispute were possible. The strike has affected supplies to the State Energy Commission pipeline to Perth and could disrupt gas supplies to Western Australian industry and to thousands of domestic consumers.

About 330 striking workers were dismissed on Saturday from the North Rankin "A" gas platform 135 kilometers (83 miles) off the West Australian coast. They seized the rig and refused to leave, according to officials of Woodside Petroleum Limited, which operates the rig. A helicopter Monday was able to land two Western Australian civil servants and two union representatives.

Paris Commodities

Aug. 18

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Oct	1,220	1,195	1,215	1,220	—44
Dec	1,227	1,215	1,224	1,227	—45
Mar	1,260	1,245	1,260	1,265	—43
May	1,285	1,275	1,290	1,305	—40
Aug	N.T.	N.T.	1,320	1,340	—44
Oct	N.T.	N.T.	1,360	1,380	—41

Est. vol.: 1,700 lots of 50 tons. Prev. actual sales: 1,474 lots. Open interest: 21,984.

	High	Low	Close Bid	Ask	Ch'ge
COCOA French francs per 100 kg					
Sep	N.T.	N.T.	1,350	1,385	+8
Dec	N.T.	N.T.	1,395	—	+5
Mar	N.T.	N.T.	1,425	—	+10
May	N.T.	N.T.	1,445	—	+10
Jly	N.T.	N.T.	1,460	—	+10
Sep	N.T.	N.T.	1,475	—	+10
Dec	N.T.	N.T.	1,490	—	+10

Est. vol.: 0 lots of 10 tons. Prev. actual sales: 8 lots. Open interest: 180

	High	Low	Close Bid	Ask	Ch'ge
COFFEE French francs per 100 kg					
Sep	1,975	1,895	1,958	1,960	+160
Nov	2,005	1,900	1,975	1,990	+138
Jan	1,960	1,960	1,950	1,965	+115
Mar	1,971	1,925	1,952	1,960	+105
May	1,980	1,980	1,970	—	+120
Jly	N.T.	N.T.	—	1,985	+110
Sep	N.T.	N.T.	1,960	—	+105

Est. vol.: 350 lots of 5 tons. Prev. actual sales: 720 lots. Open interest: 1,127

Source: Bourse du Commerce.

Asian Commodities

Aug. 18

SINGAPORE GOLD FUTURES
U.S.$ per ounce

	High	Low	Settle	Prev. Settle
Aug	N.T.	N.T.	377.20	385.50
Sep	N.T.	N.T.	378.00	386.40
Oct	N.T.	N.T.	380.20	384.00
Dec	388.70	383.90	383.90	392.10

Volume: 5 lots of 100 oz.

KUALA LUMPUR RUBBER
Malaysian cents per kilo

	Close Bid	Ask	Previous Bid	Ask
Sep	220.00	222.00	223.00	225.00
Oct	217.00	219.00	218.00	220.00
Nov	218.00	220.00	219.00	221.00
Dec	219.00	221.00	220.00	222.00

Volume: 0 lots.

SINGAPORE RUBBER
Singapore cents per kilo

	Close Bid	Ask	Previous Bid	Ask
RSS 1 Sep	177.00	177.50	177.00	177.50
RSS 1 Oct	176.75	177.25	176.75	177.25
RSS 2 Sep	173.50	175.50	175.00	175.00
RSS 3 Sep	171.50	173.50	177.00	173.00
RSS 4 Sep	166.00	168.00	165.50	167.50
RSS 5 Sep	162.00	164.00	161.50	163.50

KUALA LUMPUR PALM OIL
Malaysian ringgits per 25 tons

	Close Bid	Ask	Previous Bid	Ask
Sep	N.Q.	N.Q.	—	440.00
Oct	438.00	440.00	439.00	440.00
Nov	438.00	440.00	436.00	437.00
Dec	439.00	440.00	435.00	437.00
Jan	435.00	—	440.00	—
Feb	435.00	—	New.	New.
Mar	440.00	—	N.Q.	N.Q.
May	N.Q.	N.Q.	450.00	—

Volume: 149 lots of 25 tons.
Source: Reuters.

London Commodities

Aug. 18

	High	Low	Close Bid	Ask	Previous Bid	Ask
SUGAR Sterling per metric ton						
Oct	131.20	127.80	131.00	131.20	126.80	127.40
Dec	138.60	134.80	138.60	138.80	132.20	136.00
Mar	151.40	147.60	151.20	151.40	147.20	147.40
May	N.T.	N.T.	155.20	155.60	151.00	151.20
Aug	N.T.	N.T.	159.00	160.00	155.00	156.40
Oct	N.T.	N.T.	163.00	165.00	157.00	159.00

Volume: 1,231 lots of 50 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
COCOA Sterling per metric ton						
Sep	1,390	1,380	1,383	1,384	1,382	1,385
Dec	1,438	1,430	1,432	1,433	1,432	1,433
Mar	1,475	1,467	1,470	1,471	1,469	1,471
May	1,492	1,488	1,490	1,491	1,491	1,492
Jly	1,515	1,507	1,508	1,509	1,510	1,512
Sep	1,527	1,523	1,525	1,527	1,525	1,526
Dec	1,552	1,549	1,550	1,551	1,549	1,551

Volume: 1,585 lots of 10 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
COFFEE Sterling per metric ton						
Sep	2,020	1,915	2,000	2,005	1,885	1,890
Nov	2,025	1,925	2,010	2,015	1,900	1,905
Jan	2,025	1,930	2,000	2,005	1,905	1,910
Mar	2,000	1,930	1,978	1,990	1,900	1,910
May	1,960	1,930	1,960	1,985	1,900	1,930
Jly	1,995	1,949	1,978	2,000	1,900	1,930
Sep	N.T.	N.T.	1,970	2,010	1,900	1,940

Volume: 9,335 lots of 5 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
GASOIL U.S. dollars per metric ton						
Sep	132.00	130.00	132.50	133.00	129.75	130.00
Oct	138.50	135.00	135.50	135.75	134.25	134.75
Nov	141.00	138.50	138.00	138.25	137.00	138.00
Dec	142.50	140.00	141.00	141.25	139.50	139.75
Jan	144.50	143.25	142.00	143.00	141.00	141.50
Feb	N.T.	N.T.	140.00	142.75	135.00	141.00
Mar	N.T.	N.T.	125.00	135.00	132.00	137.50
Apr	N.T.	N.T.	125.00	140.00	125.00	137.50
May	N.T.	N.T.	125.00	140.00	125.00	140.00

Volume: 2,951 lots of 100 tons.
Sources: Reuters and London Petroleum Exchange.

London Metals

Aug. 18

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM Sterling per metric ton				
Spot	746.50	747.50	747.50	748.50
Forward	751.00	752.00	756.00	757.00
COPPER CATHODES (High Grade)				
Spot	873.00	874.00	873.00	874.00
Forward	894.00	894.50	894.00	894.50
COPPER CATHODES (Standard)				
Spot	854.00	856.00	854.00	856.00
Forward	873.00	875.00	873.00	875.00
LEAD				
Spot	248.50	249.00	248.50	249.00
Forward	268.75	269.50	268.75	269.50
NICKEL				
Spot	2490.00	2500.00	2500.00	2507.00
Forward	2520.00	2525.00	2525.00	2530.00
SILVER Pence per troy ounce				
Spot	343.50	344.50	352.00	353.00
Forward	352.00	353.00	361.00	361.50
ZINC				
Spot	500.00	510.00	500.00	510.00

Source: AP.

Dividends

Aug. 18

Company	Per	Amt	Pay	Rec
INITIAL				
IC Industries	Q	.20	10-1	9-12
USUAL				
Acme Electric Corp	Q	.08	9-15	8-27
Baltimore Gas	Q	.45	10-1	9-10
Chelsea Industries	Q	.18	9-12	8-29
Family Dollar Strs	Q	.06	10-15	9-15
General Re Corp	Q	.22	9-30	9-22
Holmes (DH) Co	Q	.25	10-1	9-12
Indal Ltd	Q	.10	9-15	8-25
Ingredient Tech	Q	.13½	9-24	9-16
Tenn-Virg. Energy	Q	.15	10-24	10-3
Texas Utilities	Q	.67	10-1	9-3
Westmin Resources	Q	.05	11-30	11-7

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

Aug. 18

Strike Price	Calls-Settle Sep	Dec	Mar	Puts-Settle Sep	Dec	Mar
46	2.29	2.98	3.44	0.02	0.46	0.77
47	1.44	2.27	2.81	0.09	0.73	1.10
48	0.71	1.68	2.22	0.34	1.10	1.48
49	0.25	1.19	1.76	0.88	1.58	1.96
50	0.07	0.82	1.37	1.70	—	—
51	0.02	0.57	1.05	—	—	—

Estimated total vol. 6,143
Calls: Fri. vol. 2,250 open int. 44,968
Puts: Fri. vol. 1,173 open int. 59,558
Source: CME.

U.S. Treasuries

Aug. 18

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	5.60	5.59	5.75	5.72
6-month bill	5.56	5.55	5.80	5.78
1-year bill	5.64	5.62	5.97	5.96
	Bid	Offer	Yield	Prev. Yield
30-yr. bond	99 20/32	99 22/32	7.28	7.29

Source: Salomon Brothers.

Merrill Lynch Treasury index: 156.45
Change for the day: + 0.19
Average yield: 6.99 %
Source: Merrill Lynch.

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Cash Prices

Aug. 18

Commodity and Unit	Mon.	Year Ago
Coffee 4 Santos, lb.	1.78	1.32
Printcloth 64/30 38 ½, yd.	0.78	0.68
Steel billets (Pitt.), ton	473.00	473.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	70-71	72-73
Lead Spot, lb	21½-24	19
Copper elect., lb	64-65½	66-70
Tin (Straits), lb	3.5125	6.3046
Zinc, E. St. L. Basis, lb	0.44	0.41-.47
Palladium, oz	130-134	102-104
Silver N.Y., oz	5.145	6.31

Source: AP.

To Our Readers

S & P 100 index option prices were not available in this edition because of transmission delays.

ASEA Unit Acquires Abex

The Associated Press

STOCKHOLM — ASEA AB said Monday that its AB Hagglund & Soner unit had acquired the Abex Denison group, a hydraulic-equipment maker, from Boston-based Pneumo Abex Corp. Terms of the acquisition were not disclosed.

K mart Profit Rose 58.2% in First Half

The Associated Press

TROY, Michigan — K mart Corp. said Monday that strong sales boosted profit in the second quarter by 58.2 percent to $118.4 million, or 88 cents per share. Sales rose 9.5 percent to $5.98 billion.

In the first half that ended July 30, K mart said earnings rose 50.8 percent to $210 million on sales of $11.2 billion, an increase of 7.6 percent from the first six months of fiscal 1985.

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BUSINESS ROUNDUP

Ottawa Confirms Sale Of State-Run Canadair

The Associated Press

OTTAWA — Canadair Ltd. will be sold to Bombardier Inc. of Montreal, Barbara McDougall, minister of state for privatization, confirmed Monday.

The Canadian government will receive 120 million Canadian dollars ($92.3 million) in cash for its shares in the troubled aircraft maker.

Ottawa, however, will retain ownership of technology developed by the company for its Challenger executive jets and will license this technology for future annual royalties estimated by Bombardier at 173 million dollars.

Some airport land owned by Canadair will be sold and the Canadian government will receive a 3-million-dollar special dividend as well as certain proceeds from the settlement of litigation between Canadair and one of its suppliers, the minister said.

The Canadian government will retain a stake in the company to encourage increased research and development, exports and Canadian content, according to the minister.

She said that the sale "is good news for Canadair and even better news for Canada."

The federal cabinet endorsed the sale last week but a formal announcement was delayed until Monday to allow more time to work out what the minister described as "the complex nature of the transaction."

The sale is the latest move by the government of Prime Minister Brian Mulroney to turn over government-owned businesses to the private sector.

Retail Sales Fall in Canada

Reuters

OTTAWA — Canadian seasonally adjusted retail sales fell 0.7 percent in June, the second consecutive monthly decline, Statistics Canada said Monday. The government agency said sales fell to 11.41 billion Canadian dollars ($8.77 billion) from 11.49 billion dollars in May and 11.54 billion dollars in April.

Kuwait Adopts Oil Budget With Spending Cuts

Reuters

KUWAIT — Kuwait has approved a 1987 budget for the state-owned Kuwait Petroleum Corp. that envisages a net profit of 138.7 million dinars ($477 million).

The KPC budget for the fiscal year that began July 1 projects spending of 2.5 billion dinars — a quarter less than in 1985-86.

KPC has not announced profits for the fiscal year that ended June 30, but the figures are expected to reflect the impact of the crash in oil prices that began late last year. In fiscal 1985, net profit fell 25 percent to 209.02 million dinars.

The fiscal 1987 profit forecast corresponds with estimates submitted to the parliament before it was dissolved on July 3 that projected a 35-percent slide in income from oil sales, to 1.08 billion dinars.

KPC forecasts shipments of 636,610 barrels per day of crude oil, expected to sell at an average $15 a barrel, or just over half the official price before the market crashed.

Unilever NV May Bid for Naarden NV

Reuters

LONDON — Unilever NV, the Dutch arm of the giant Anglo-Dutch consumer-products concern, said Monday that it was considering a possible bid for Naarden International NV at 90 guilders ($38.80) a share, or an indicated 300 million guilders.

Naarden shares closed Friday on the Amsterdam Stock Exchange at 54 guilders, but surged Monday to 88.10 guilders a share.

Unilever said the two companies are discussing a combination of Naarden with PPF International, a Unilever unit. Naarden and PPF are both in the fragrance and flavors business.

Naarden reported net income of 22 million guilders on sales of 663 million guilders in 1985. It employs more than 2,500 people internationally, including 1,000 in Holland. PPF is of similar size, employing about 1,750.

Unilever said that Naarden directors were stressing their desire for Naarden to retain its identity and independent position within Unilever after any combination. But, it said, there are now reasonable grounds for expecting an agreement to be reached.

Naarden and PPF would fit together well in terms of products and geographical spread, it said. Together, the companies would have a comprehensive product range to offer customers worldwide, it said.

It added that developments in biotechnology would receive specific emphasis on the creative and research sides.

The combined Unilever group reported 1985 pretax profit of £953 million (about $1.42 billion at current rates), up from £925 million the previous year. Combined revenue rose to £16.7 billion from £16.2 billion.

Speculation Grows That Tisch May Seek Control of CBS

By Paul Richter
Los Angeles Times Service

NEW YORK — After a year and a half of threats from outsiders such as broadcaster Ted Turner and Senator Jesse Helms, Republican of North Carolina, the conflict at CBS Inc. has moved indoors.

The network has seemed to be edging toward board-room warfare since Laurence A. Tisch, the largest CBS shareholder, told other board members last month that he would not promise to limit his stake to the 24.9 percent of the shares outstanding that he now holds.

The refusal prompted other directors to consider what defensive tactics they might take if Mr. Tisch continues to accumulate stock without making a tender offer for the company.

But while some are still trying to calculate the odds in such an engagement, many other knowledgeable observers inside and outside the company believe that control of CBS already is firmly in the hands of the Tisch family interests, which also control Loews Corp.

NEWS ANALYSIS

They say that unless some powerful new bidder appears, CBS may be entering an era in which Mr. Tisch decides such pressing questions as who will manage the television network at a time of slumping earnings and ratings.

"The situation over there is like a chess game where one player has taken a bunch of big pieces," said one investment banker, who asked to remain unidentified. "The opponent can fight on and waste a lot of time and effort, or he can be smart and admit it's over."

Roswell L. Gilpatric, a CBS board member and retired presiding partner of the Cravath, Swaine & Moore law firm, said: "I personally don't know of anything other board members could do to hold off further stock purchases, if that's what Mr. Tisch wants."

Mr. Tisch's intentions have been a subject of speculation since he began accumulating stock in July 1985, with the encouragement of the chairman, Thomas H. Wyman, and CBS's founder, William S. Paley. The two were looking for a major "friendly" stockholder to help preserve CBS's independence in a year when the company confronted not only Mr. Turner and Senator Helms, but Ivan F. Boesky, a New York investor, and Marvin Davis, a Denver businessman.

While Mr. Tisch said in one interview that control of the network was an inheritance that he would like to pass on to his sons, on other occasions — including discussions with other board members — he has pointedly declined to be more specific. Mr. Tisch did not return several telephone calls last week.

"It would be nice to know exactly what he has in mind, but we don't," said Mr. Gilpatric, who was interviewed from Switzerland.

Mr. Wyman says that Mr. Tisch has lived up to his original pledge to maintain his stake at 25 percent, and that he is not concerned about the Tisch presence.

"We would, of course, be concerned if Loews indicated plans to purchase more than 25 percent, but it has agreed not to," Mr. Wyman said last week in response to a written question.

But Mr. Tisch's presence has unsettled many at CBS, who may fear that he might wish to accelerate the cost-cutting drive that already has led to many layoffs and battered morale, or even sell off major network assets.

"Many among the employees and management, who have already seen Turner and Davis and others approach CBS's independence, are naturally concerned that there might be another threat to the company's independence," Mr. Gilpatric said.

Thus, many insiders were cheered to hear that some on the board might challenge Mr. Tisch's plans to increase his stake. One senior executive said that the other outside directors "threw down the gauntlet" at the July 8 board meeting and predicted that if the confrontation develops "it'll be knockdown, drag-out."

Others wonder how much leverage board members would have in a battle. Some have suggested that they might try a so-called poison-pill defense, in which they would seek to make a takeover prohibitively expensive by requiring any would-be purchaser to buy an additional block.

But adding such a defense would require a favorable vote from the shareholders, says Barry Kaplan, analyst with the Goldman, Sachs investment company in New York. With Mr. Tisch's 25-percent stake, he adds, "the proposal would probably lose."

Many also believe that Mr. Tisch still has an ally in Mr. Paley, the second-largest CBS shareholder, with a 7.6-percent stake.

Thus, if board members or Mr. Wyman become unhappy with Mr. Tisch, their best strategy might be to enlist another investor to buy out Mr. Tisch's shares at a premium or to make a tender offer for the company.

Rumors that some on the board are interested in drawing a "white knight" into the fray continue to circulate. Last Thursday, CBS stock spurted $6 to $143 in heavy trading on rumors that the board was holding a special meeting. Thought to be the object of such overtures were John Kluge, who built and then last year sold the Metromedia broadcast empire, and Westinghouse Electric.

CBS said no such meeting was planned, and that it could not account for the stock's rise.

COMPANY NOTES

Bayerische Motoren Werke AG said its motorcycle subsidiary BMW-Motorrad GmbH, was raising its prices by an average 3.3 percent, effective immediately.

Coles Myer Ltd. of Australia said it sold its 50-percent holding in HFC Financial Services Pty. to the other joint-venture partner, Household Finance Corp. of the United States. It said the sale, for an undisclosed sum, reflects company policy of concentrating on retailing.

Credit Suisse First Boston Ltd. said it would place 50,000 bearer shares in Crédit Suisse, the Swiss financial concern, through an international syndicate. The shares will be priced at the closing market level on Wednesday and payment date will be Sept. 18.

Delta Air Lines offered Monday about $18.7 million for Jet America Airlines Inc., already a takeover target of Alaska Air Group Inc. Jet America management last week endorsed Alaska Air's offer of about $14.3 million. Both bids are conditioned upon regulatory approval and the restructuring of some lease and loan obligations.

Hawker Siddeley Group PLC, a British engineering company, said that it had bought the Reliance Fuse division of Challenger Electrical Equipment Corp. of Chicago for $11.5 million cash. Reliance Fuse, a privately owned company, makes low-voltage power fuses.

ICN Pharmaceuticals Inc. of California said it has applied for an official listing on the Amsterdam Stock Exchange. It also has applied for listings on exchanges in Frankfurt, Geneva, London and Zurich.

Jaguar PLC, the British luxury automaker, said pretax profit rose 6.9 percent to £67.4 million (about $100 million) in the first half of 1986. Revenue increased 6.3 percent to £426.2 million. Jaguar said retail sales rose 58 percent in Canada and 23 percent in the United States, offsetting decline in European revenue.

Jardine Insurance Brokers Asia Ltd. of Hong Kong, a wholly owned subsidiary of Jardine Matheson Holdings Ltd., said it has set up a subsidiary in Taiwan to provide direct service to local and multinational clients there.

Krung Thai Bank Ltd. said the first public issue of new common shares in the commercial bank was well received, with all 4.42 million shares fully subscribed 19 days before the Aug. 31 deadline. The issue raised Krung Thai's registered capital to 2.27 billion baht (about $87 million), from 1.83 billion baht.

Mercantile House Holdings PLC said it and its Alexanders, Laing & Cruikshank subsidiary have agreed to set up a 50-percent joint venture with Winfull Securities to deal in securities in Hong Kong.

Renault has withdrawn a proposal to build its small R5 model in Poland, company sources said. Modernizing a Warsaw factor would have cost around 1.5 billion French francs (about $224 million), an amount that neither banks nor the French government was prepared to lend Poland, the sources said.

Study Finds 43% of Thrifts In U.S. Are Near Insolvency

By Eric N. Berg
New York Times Service

NEW YORK — U.S. savings and loan associations are in far worse financial condition than federal regulators and the thrift industry have acknowledged, according to a government study released Monday.

Research by the General Accounting Office shows that there are 461 more thrift institutions with negative net worth — their liabilities exceed their assets — than the Federal Home Loan Bank Board admits.

The GAO study, evaluating thrift units with a different accounting system than that used by the bank board, also found that 830 other savings and loan associations had net worth less than the 3-percent regulatory minimum.

This would mean that 1,291, or 43 percent, of the nation's approximately 3,000 thrift institutions, are either insolvent or close to it.

While the number of ailing thrift institutions and their reported net worth has little financial impact on depositors — because each deposit is insured up to $100,000 — the bank board is trying to push through Congress a rescue plan for its Federal Savings and Loan Insurance Corp.

Much of the debate surrounding the board's plan has centered on how many thrift institutions are truly in bad shape, which would affect future payouts by the insurance corporation.

The bank board and the U.S. League of Savings are on one side of the debate, with GAO experts and other researchers on the other.

"You've got two savings industries out there," said Gillian G. Garcia, the economist at the GAO who conducted the study.

"There is a bunch of healthy institutions that are doing very well," she said. "But there are a large number of institutions that are a problem and a potential demand on the FSLIC fund. And the important thing is that the potential liability is growing."

Robert J. Sahadi, director of the bank board's Office of Policy and Economic Research, said: "We think there is a significant problem. But those people who take some accounting numbers and some dated statistical data and see doom and gloom and say the sky is falling — well, it just isn't the case."

The difference of opinion stems mostly from the bank board's efforts to prop up troubled thrift units. Virtually all companies, public or private, follow generally accepted accounting principles, better known as GAAP. But in 1982 the board introduced a separate set of rules called Regulatory Accounting Principles, or RAP.

The RAP system gave thrift units a number of accounting advantages that they did not enjoy under GAAP. Until recently, for example, thrift institutions that sold home mortgages or other assets at a loss could report the loss over several years rather than all at once, as other companies have to do.

In addition, RAP allowed thrift units to report net worth certificates as part of net worth. These certificates, used by a thrift institution to bolster its capital, are issued by thrift units to the bank board in exchange for IOUs from the board.

But the certificates have no market value, and many accounting experts question whether they should be considered part of net worth.

Uncertainty Over Pretoria Drives Up Metal Prices

By Vivian Marino
The Associated Press

NEW YORK — The rush was on to buy gold and platinum last week as investors speculated that South Africa might limit its exports of precious metals if other nations imposed economic sanctions on it.

Their fears turned out to be unfounded and prices later retreated a bit, particularly Monday. But dealers worldwide had envisioned metals being harder to come by — particularly platinum — at a time when demand was especially strong.

The United States imports nearly all its platinum, about a third of its gold and more than half of its silver, according to the Bureau of Mines, a division of the U.S. Interior Department.

In addition, metals analysts noted that several European countries are embarking on major vehicle emissions-control programs and need platinum to build catalytic converters, and Japan is buying up gold for coins commemorating the 60th anniversary of Emperor Hirohito's reign.

With that in mind, and as threats and counterthreats for economic sanctions involving South Africa increased, metal prices soared.

Platinum posted the sharpest daily price increase last week. The metal rose $25 an ounce on Aug. 11, to $584 for October contracts, on the New York Mercantile Exchange.

During the previous week, platinum prices had skyrocketed $73.50 an ounce, a 15-percent gain.

But then platinum prices retreated when the Pretoria government said that it would not restrict metals exports if economic sanctions were imposed.

In London on Monday, platinum was fixed at $534.00, down $12 from Friday's afternoon fixing. Later in New York, Engelhard Corp. quoted a base price for bullion platinum of $534, off $9 per troy ounce, and a price for fabricated platinum of $584, off $9.

The demand for platinum paced the overall advance in the metals markets last week.

On the Commodity Exchange in New York, gold for current delivery rose $15.80 on Aug. 11 to close at $391.40 an ounce. It was fixed Monday in London at $377.25 an ounce for current delivery. Later Monday on the Comex, spot gold closed at $376.40, off $7.10.

Silver reflected gold's movement, rising to $5.56 an ounce on Aug. 11 at the Comex. It closed Monday in London at 351.50 pence ($5.23) per ounce. Later in New York, spot silver fell to $5.10 an ounce, from $5.26.

"It was the most excitement we've seen in the metals market in quite some time," said David Nelson, a metals analyst with Dean Witter Reynolds Inc. in New York.

"It was a rally that was long overdue," said William O'Neill, research director for Elders Futures Inc. in New York.

Analysts said that prices fell a bit on profit taking and after South Africa, which supplies about 80 percent of the world's platinum and about half of its gold, failed to announce possible countersanctions.

Analysts said that they were not too surprised by South Africa's decision, given the fact that precious metals and diamonds account for most of the country's exports.

"I think the idea that South Africa would retaliate was unfounded," said Bernard Savaiko, senior metal analyst for Paine Webber Inc. in New York. "South Africa wants to be our ally and it's not interested in an eye-for-an-eye politics."

Frederick Demler, metals economist for Drexel Burnham Lambert Inc. in New York, agreed. "They'd be shooting themselves in the foot," he said.

So what was all the fuss about?

"Historically, precious metals are not known for their stability," Mr. Demler said, adding that rumors of possible retaliation were just enough pressure to drive up an already volatile market.

"It's all psychological," Mr. O'Neill said.

Nevertheless, some analysts say that the recent rebound in oil prices and the weaker U.S. dollar could continue to boost the precious metals market. Higher oil prices could spur inflation and many traders hold gold as an inflation hedge.

"Someone who's buying a jewelry item for Christmas may have to pay a bit more than they did last year," Mr. Nelson said.

Dealers predict that metal prices will remain volatile over the next few weeks as the potential for supply disruptions lingers in South Africa.

"The South African situation probably is going to get worse before it gets better," Mr. O'Neill said.

"If pressure from other industrial countries persists to reorganize the political system in South Africa," Mr. Savaiko said, "that may continue to cause unrest in that country."

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Via The Associated Press

Saudis Moving to Curb Oil Output, Journal Says

United Press International

NICOSIA — Saudi Arabia is taking significant steps to curb its oil output before the two-month OPEC cutback agreement comes into force on Sept. 1, the authoritative Middle East Economic Survey said Monday.

Other members of the Organization of Petroleum Exporting Countries also have been moving to lower their September output to the quota levels stipulated in the interim accord, the publication said.

With Kuwait lowering output by 700,000 barrels a day and Nigeria by 400,000 barrels a day, MEES said it now appeared that the recent rise in oil prices of roughly $5 a barrel stands "a very good chance of at least being sustained."

MEES said the Saudis are reducing their August sales and aiming at average production of just over 5 million barrels a day this month, compared with 5.4 million barrels a day in July.

MEES said it understood that three major companies — Exxon Corp., Mobil Corp. and Texaco Inc. — agreed somewhat reluctantly to accept voluntary cuts in their August share of Saudi production.

However, the journal said it appeared that Shell, another major client, asked for 900,000 barrels a day of Saudi crude in August and "vigorously resisted Saudi efforts to secure a voluntary reduction."

Saudi Arabia reacted by restricting Shell to the volume specified in its original contract, meaning Shell's August liftings would less than 450,000 barrels a day, MEES said.

Under the OPEC cutback accord, member nations — except Iraq — agreed to restrain production during September and October to within the limits of their former OPEC output quotas. Saudi Arabia's quota amounts to 4.353 million barrels a day.

AMEX Highs-Lows

NEW HIGHS 18

ATT Fd	AmFruct A	AmFruct B	AmTrEx scre
BRT Realty	DelVal	DicksnWnB g	FstConn SB
ForestCty A	Media pf	MtgeGth In	PGE 225pfL
ProtlR cvpf	Presidio pf	SDIe 450pf	SCE 130pf
Technodyne	Viatech Inc		

NEW LOWS 9

Americare n	BlaV Sup	Connelly	Cabic
MathWrt n	McDowEnt	Peerls Tube	PopeEvan
SwstRity			

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
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Floating-Rate Notes

Aug. 18

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SOUTH AFRICA: *U.S. Companies Disinvest but Keep a Foot in the Door*

(Continued from first finance page)

ing the wide range of electrical, electronic and industrial products it ships to Genwest Industries, the subsidiary it sold to nine South African managers in April. GE products and parts still make up 95 percent of the company's sales, according to Genwest's managing director, Rob Hofman.

It seems to be a good arrangement for the parent company, which is getting the same prices for its products under the distribution agreements that it got when it owned Genwest — but no longer takes the losses that Genwest has suffered for two years.

VF sold its subsidiary, Berkshire International — the South African maker and distributor of Lee jeans — to Corder Tilney, the chairman of Berkshire, for 1.1 million rand, or about $220,000. But the payment of the purchase price, plus interest, has been deferred until 1988, and Lee products still account for three-quarters of Berkshire's sales.

In another recent transaction, Bell & Howell Co. sold its two local subsidiaries, both money-losers, to Ronnie Price Group, a South African company. Bell & Howell retained technology and distribution contracts worth about $1.2 million a year, local executives said.

The sale allows Ronnie Price, for now, to buy the Bell & Howell products it distributes at the same price that the subsidiaries paid before the sale. At some unspecified future date, the price will rise to what other distributors pay.

The sale has not yet had much impact on Bell & Howell's cash flow from South Africa, said Ian McDonald, European financial controller of Bell & Howell. But Daniel F. Collins, manager of corporate information, stresses that Bell & Howell has no control over marketing. "It is not a shadow business," he said.

Anti-apartheid activists are unhappy about disinvestment in which not much changes.

"If resources are simply being recycled around, then the impact has been adulterated," said Daniel Purnell, executive director of Philadelphia's International Council for Equality of Opportunity Principles, Inc., which monitors the Sullivan principles. "That's a tragedy for everyone — those there and those who thought their removal would put pressure on the government."

Marcy Murningham, president of the social-investment division of Mitchell Investment Management in Cambridge, Massachusetts, says it is hard to know whether a company is getting out of South Africa, or just "doing an end run" around the principle of disinvestment.

"An economic connection is usually defined as a direct economic involvement," she said. "Licensing agreements sort of erase the direct connection. You have to really monitor this."

Most companies are disposing of their businesses at prices that are fair by local market standards, according to merchant bankers who have participated in such transactions. Except in a few cases, they say, the so-called "fire sales" expected from politically motivated withdrawals have been avoided.

"They haven't been giveaways," said Andre Roux, an assistant general manager at Barclays Merchant Bank who has handled several disinvestment sales. "What we're finding is that deals are being done at around net asset value."

South Africa has two different exchange rates — the commercial rand is worth 38 cents; the financial rand, only 20 cents — that penalize disinvestment, since the seller must take his proceeds in financial rand. At least two companies have been able to avoid the two-tier exchange rate penalty by structuring sales around repayment of internal corporate debt rather than outright cash payment.

Also, profits earned after Jan. 1, 1984, and dividends, can be repatriated at the higher exchange rate.

So far, disinvestment has not meant much loss of jobs. Genwest has laid off 200 of its 700 workers since the sale, but executives say they would have taken the action in any case because of poor sales.

"Usually, it's just different people handing out the paychecks," said Alison Cooper of the Investor Responsibility Research Center. Of 8,679 South African employees affected by disinvestment since 1984, she noted, only 594 lost their jobs.

Phiroshaw Camay, general secretary of the Council of Unions of South Africa, argues that workers fare little better under U.S. ownership than under any other — but others, including Gavin Brown, an industrial-relations consultant at Levy, Andrew & Associates in Johannesburg, believe that disinvestment will ultimately lower workers' wages.

"When new companies take over, the rate of growth in wages tends to become more a function of the local market than of the artificial premiums imposed on multinationals operating here," Mr. Brown said. "In the long run, in two years, there's no question that workers are going to be worse off."

Mr. Brown and others also suggest that some foreign companies sell off unprofitable units because they know local owners, free from political pressure, can pay lower wages that will insure profitability — and continued distribution revenues for the parent.

Lionel Grewan, assistant vice president of Citicorp's Citibank unit in Johannesburg and executive director of the Sullivan Signatory Association, worries that disengagement by an U.S. company removes the burden of social accountability.

"The first thing they do is cut their social-responsibility programs — I've seen that with almost every company that has disinvested," he said.

Companies that have signed the Sullivan principles typically spend between 5 percent and 10 percent of their total wage bill on education and housing programs.

Peter Harding, a South African executive who led the management buyout of the Rohm & Haas Co. subsidiary in Johannesburg, acknowledged that since taking over the company, he has ended its support of educational programs. "If it's a leveraged buyout, funds are going to be damn scarce, and when the pressure is put on, it's very obvious what area is going to suffer," he said. "I have no choice."

Stanley Tools, too, ended its support of Pace University in Soweto when it was sold. Mr. Frost said the company has maintained its predisinvestment wage scale. GE left behind a $400,000 endowment for philanthropic use — but Mr. Grewan says such actions are rare.

The current pattern of disinvestment may yet change. Some investment bankers say it is only a matter of time before a major manufacturer — Ford Motor Co. and General Motors Corp. are the biggest of nearly 300 U.S. companies still operating in South Africa — pulls out.

Then, too, political pressure in the United States may soon extend to companies that maintain distribution and licensing links — although the companies involved will no doubt put up a harder fight than they did against disinvestment.

And the trade sanctions that are accepted in South Africa as inevitable may at some point cut off South African companies' imported supplies. Local managers are trying to protect themselves by increasing local purchases and manufacture.

Sun Chemical To Sell Unit to Dainippon Ink

Reuters

NEW YORK — Sun Chemical Corp. said Monday that it had reached an agreement in principle to sell its graphic-arts materials group to Dainippon Ink & Chemicals Inc. of Japan for $550 million cash.

Dainippon had previously offered to buy the graphic arts materials group for $425 million, and the whole group's common shares outstanding for $600.6 million.

The transaction announced Monday is subject to the completion of a review by Dainippon.

In July, Sun Chemical proposed to merge with Chromalloy American Corp.

In light of the proposed transaction with Dainippon, Sun Chemical said it has asked its investment bankers to advise it with respect to the terms of the previously announced proposed merger with Chromalloy.

U.S.-Japan Talks on Textiles Fail to Reach Exports Accord

The Associated Press

WASHINGTON — U.S. and Japanese trade negotiators are at an impasse in talks aimed at limiting Japanese textile exports to the United States.

Some progress was made in three days of discussions, but the talks broke down Saturday night with important differences remaining, Charles Carlisle, chief U.S. textile negotiator, said Sunday.

Mr. Carlisle said differences remained on the levels of Japanese textile to be exported and on measures to prevent exports from other countries from coming to the United States through Japan.

He said no further talks had been scheduled.

The United States is seeking an agreement with Japan, its fifth largest textile supplier, similar to those reached earlier this month with South Korea and last month with Hong Kong and Taiwan, according to Gary Holmes, a spokesman for the U.S. Trade Representative's Office.

The agreements with the other Asian nations virtually freeze textile imports from those countries, allowing annual growth of less than 1 percent.

Japanese textile exports to the United States rose 18 percent during the first half of this year, the period during which no export agreement was in place, compared with the first six months of 1985, Mr. Holmes said.

U.S. officials reportedly believe that South Korean textiles are being shipped to the United States through Japan, filling up quotas the Japanese are not using.

Argentina Devalues Austral

The Associated Press

BUENOS AIRES — The central bank ordered Monday a 1.56-percent devaluation of the austral, the national currency, giving it a new official exchange value of .975 austral for each U.S. dollar.

CURRENCY MARKETS

Dollar Ends Stronger in Europe, U.S.

Compiled by Our Staff From Dispatches

NEW YORK — The dollar turned higher in U.S. and European trading Monday as traders squared positions ahead of Tuesday's release of revised U.S. gross national product data for the second quarter.

"The market is overall short the dollar, and it was just a case of pre-GNP nerves prompting traders to cover their positions," one U.S. dealer said.

In New York, the dollar rose more than 1 pfennig against the Deutsche mark, to 2.0725 from 2.0605 on Friday. It also rallied to 154.45 yen from 153.75; to 6.7435 French francs from 6.6970; and to 1.6735 Swiss francs from 1.6608.

The British pound firmed to $1.4960 from $1.4900.

"Some of the dollar's firmness was due to squaring up of short positions put on Friday on some anticipation of a discount-rate cut," said Daniel Holland, vice president at Discount Corp. of New York.

"Even though the Bundesbank denied that it had reached agreement with the Federal Reserve Board on a coordinated rate cut, there's still uncertainty over what level the West German bank will intervene at" to dampen the mark's rise, Mr. Holland said.

He said the market remains negative on the dollar and has built in a sufficient amount of short, or sell, positions to saturate that side of the ledger. This leaves the potential for an explosive rise if the dollar goes high enough to spark heavy short covering, he pointed out.

Dealers said a sharply better U.S. GNP figure on Tuesday could drive the dollar to as high as 2.11 DM, a major chart point, by the end of the week. But a lower figure would likely push the currency back to 2.05 DM, they said.

Second-quarter GNP growth originally was put at a slack 1.1 percent, but most analysts expect the revised figure to show a rise of 1 percent to 1.4 percent. That range would essentially be neutral for the dollar, dealers said.

Dealers concurred that the dollar's longer term outlook remains bearish on the back of continued U.S. economic sluggishness and expectations that the Reagan administration wants the currency to fall still lower.

In its latest currency bulletin, London-based Chase Manhattan Securities said Monday that the bear market has still further to run.

"On a three-month view, we are looking for the dollar to break through the 2-mark and 150-yen levels as part of a further 12- to 15-percent downward adjustment over the next year," it said.

In other markets, meanwhile, the dollar closed in London at 2.0700 DM, up nearly a pfennig from 2.0605 there on Friday. It was fixed at midday in Frankfurt at 2.0623 DM, down slightly from 2.0670 at the Friday fixing, and closed in Zurich at 1.6670 Swiss francs, up from 1.6618 there on Friday.

In Paris, the dollar was quoted late in the day at 6.7238 French francs, up from the midday fixing of 6.7105. *(Reuters, UPI)*

London Dollar Rates

Closing	Mon.	Fri.
Deutsche mark	2.07	2.0465
Pound sterling	1.4935	1.4975
Japanese yen	154.15	153.85
Swiss franc	1.675	1.6605
French franc	6.7325	6.6945

Source: Reuters

THE EUROMARKETS

$500 Million in Dollar Straights Emerge

By Christopher Pizzey

Reuters

LONDON — The dollar-straight sector saw four new issues totaling over $500 million emerge Monday.

The secondary market showed few price changes, ending unchanged to slightly lower, dealers said.

The new issues received a mixed reception from investors, some of whom were deterred by a slippage in the U.S. bond market, dealers added.

Syndicate managers said that none of the borrowers came from the United States. "It's still cheaper for most U.S. names to tap their own domestic market," a syndicate head said.

The largest launch was a $200-million bond issue for Inter-American Development Bank, lead-managed by Deutsche Bank Capital Markets. The 10-year issue pays 7⅝ percent and was priced at 100½. The issue ended outside the total fees of 2 percent at a discount of 2¼.

The Long-Term Credit Bank of Japan issued a $150-million bond issue that pays 8 percent over 10 years and was priced at 101½. The lead manager was the borrower's European subsidiary, LTCB International Ltd., and the issue finished comfortably within the 2-percent fees at a discount of 1½.

Bank of Tokyo (Curaçao) Holdings NV issued a $100-million, 10-year, straight with a 7⅝-percent coupon. The part-paid issue was priced at 100⅝ and has 15.625 percent payable initially, with the rest due in a year. It was led by Société Générale and was quoted within the 2-percent fees at a discount of 1⅞.

Three Dutch banks borrowed funds Monday in the Euromarkets, all using different types of issues. De Nationale Investeringsbank launched a $100-million issue paying 7¾ percent over seven years and priced at 101⅛. The lead manager was Banque Paribas Capital Markets.

Algemene Bank Nederland lead-managed on its own behalf a 100-million-guilder issue with a 5¾-percent coupon. The five-year issue was priced at par.

Late in the day, Amsterdam-Rotterdam Bank launched a $100-million bond issue with equity warrants attached. The 10-year issue was priced at par and has a 3½-percent coupon.

Each bond has six warrants attached that are each exercisable into five Amro shares at 120 guilders each. This compares with a closing price in Amsterdam Monday of 110 guilders. EBC-Amro was the lead manager.

SINGAPORE: *New Agriculture*

(Continued from first finance page)

here, and a prawn-producing center is in operation. In the future there may also be a dairy or two.

To attract foreign investors, Singapore plans to offer the same incentives in agrotechnology that it does in other areas of development. These include tax holidays for companies with "pioneer" status and investment allowances, Dr. Ngiam said.

He said that cooperation with Beijing on agricultural development had already begun. "When we go back there, it is like going home," he said. "We know how they think." Dr. Ngiam said he could offer Western agribusinesses the same backdoor advantages, minimizing risks.

"If you want to work in China," he said, "base yourself in Singapore."

Monday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

12 Month High	12 Month Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Net Chg.
[illegible]									

...X Highs-Lows

NEW HIGHS 18

NEW LOWS 9

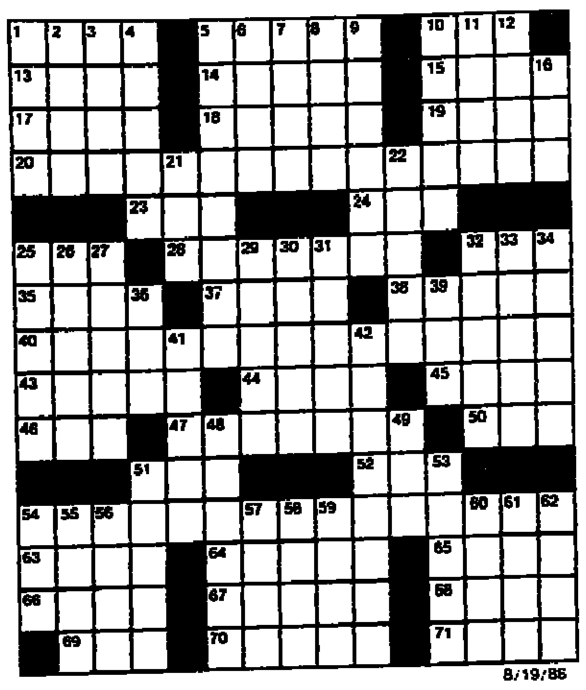
Div	Yld	PE	Sls. 100s	High	Low	Close	Chg.
[illegible]							

Pounds Sterling

Deutsche Marks

E.C.U.

Japanese Yen



8/19/86

ACROSS

1 Shaves the lawn
5 —— Johnson, 1960 decathlon champ
10 Andress film
13 Eject
14 Warehouse
15 Golf scores
17 Merely
18 Greek architectural style
19 Charles Lamb
20 Face on a $500 bill
23 And others: Abbr.
24 Bone: Comb. form
25 Half or third of a Latin dance
28 Coed, e.g.
32 Mil. address
35 Jot
37 Something unique
38 Type of berth
40 Face on a $1,000 bill
43 Building addition
44 Parasites
45 Gambling cubes
46 Dakota Indian
47 Haymarket building
50 Threefold: Comb. form
51 Jackie's second husband
52 Participial ending
54 Face on a $2 bill
63 Rabbit's kin
64 Biblical mount
65 First-rate
66 Verve
67 Draw forth
68 Kooks
69 Bx. trains
70 Marry again
71 Horse's gait

DOWN

1 Garfield's sound
2 Atlanta arena
3 Determination
4 Manner
5 Editor
6 Tiny particle
7 Crop-raising land
8 "Iliad," e.g.
9 Estimate
10 Exhausted
11 Corridor
12 Canal or lake
16 Utter
21 "—— a warm wind . . .": Masefield
22 Basket fiber
25 Stogie or cheroot
26 Lena or Marilyn
27 Make amends
29 "—— Tom's Cabin"
30 Author Ephron
31 Construct
32 Expect
33 Coppers for Copperfield
34 Command
36 Caesar's "Hail!"
39 Aged
41 More
42 Substantiated
48 One who expresses contempt
49 Mecca-to-Karachi dir.
51 Prayer endings
53 Face on a $50 bill
54 Tea, in Tours
55 Healthy
56 Spoken
57 Swing music
58 Sufficient, to FitzGerald
59 Not real
60 Tart
61 West Pointers' "—— the fray"
62 Cozy place

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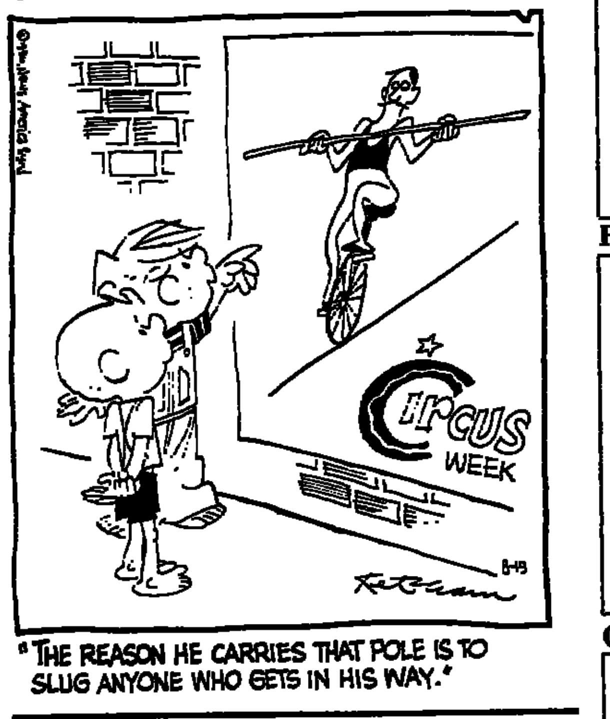
DENNIS THE MENACE



"THE REASON HE CARRIES THAT POLE IS TO SLUG ANYONE WHO GETS IN HIS WAY."

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

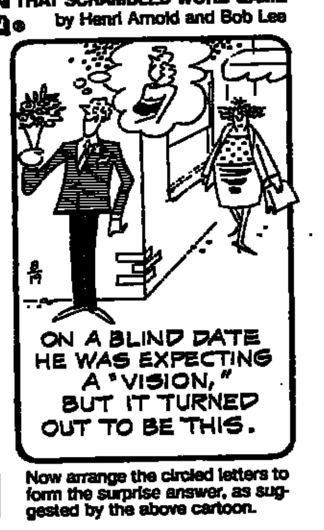
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MYFIL

RECSS

GINOUT

HAWRTT



ON A BLIND DATE HE WAS EXPECTING A "VISION," BUT IT TURNED OUT TO BE THIS.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ◯ "◯◯◯◯◯◯"

(Answers tomorrow)

Yesterday's | Jumbles: WOMEN IDIOM GHETTO JOSTLE
Answer: He lies in wait for a fish, and after catching it he does this—LIES IN WEIGHT

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	24	75	18	64	o
Amsterdam	18	64	11	52	o
Athens	33	91	22	72	fr
Barcelona	31	88	21	70	fr
Belgrade	35	95	16	61	fr
Berlin	21	70	9	48	r
Brussels	17	63	11	52	o
Bucharest	33	91	14	57	fr
Budapest	32	90	18	64	fr
Copenhagen	18	64	11	52	cl
Costa Del Sol	34	93	24	75	fr
Dublin	17	63	7	45	o
Edinburgh	15	59	9	48	o
Florence	33	91	20	68	fr
Frankfurt	22	72	14	57	o
Geneva	25	77	18	64	st
Helsinki	18	64	12	54	cl
Istanbul	30	86	18	64	fr
Las Palmas	28	82	21	70	fr
Lisbon	23	73	18	64	o
London	18	64	14	57	r
Madrid	26	79	16	61	fr
Milan	31	88	20	68	o
Moscow	17	63	10	50	o
Munich	26	79	14	57	r
Nice	29	84	20	68	cl
Oslo	17	63	9	48	cl
Paris	23	73	15	59	o
Prague	24	75	13	55	st
Reykjavik	12	54	6	43	cl
Rome	31	88	20	68	cl
Stockholm	14	57	11	52	sh
Strasbourg	27	81	17	63	cl
Venice	31	88	21	70	fr
Vienna	28	82	18	64	fr
Warsaw	19	66	15	59	r
Zurich	23	73	14	57	o
MIDDLE EAST					
Ankara	30	86	13	55	fr
Beirut	32	90	24	75	fr
Damascus	—	—	—	—	—
Jerusalem	29	84	17	63	fr
Tel Aviv	32	90	21	70	fr
OCEANIA					
Auckland	16	61	3	38	o
Sydney	19	66	7	45	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	25	77	cl
Beijing	28	82	22	72	r
Hong Kong	32	90	25	77	fr
Manila	33	91	25	77	cl
New Delhi	33	91	26	79	cl
Seoul	24	75	21	70	o
Shanghai	33	91	25	77	fr
Singapore	30	86	22	72	o
Taipei	35	95	26	79	fr
Tokyo	28	82	24	75	sh
AFRICA					
Algiers	38	100	24	75	fr
Cairo	35	95	22	72	fr
Cape Town	20	68	10	50	fr
Casablanca	27	81	20	68	fr
Harare	25	77	10	50	fr
Lagos	26	79	22	72	o
Nairobi	—	—	—	—	—
Tunis	40	104	22	72	fr
LATIN AMERICA					
Buenos Aires	17	63	6	43	fr
Caracas	27	81	20	68	cl
Lima	—	—	—	—	—
Mexico City	33	91	24	75	st
Rio de Janeiro	25	77	19	66	o
NORTH AMERICA					
Anchorage	16	61	7	45	pc
Atlanta	32	90	22	72	pc
Boston	25	77	21	70	r
Chicago	26	79	16	61	pc
Denver	34	93	16	61	fr
Detroit	26	79	17	63	fr
Honolulu	32	90	23	73	pc
Houston	36	97	25	77	pc
Los Angeles	35	95	17	63	fo
Miami	—	—	—	—	—
Minneapolis	27	81	15	59	fr
Montreal	27	81	20	68	cl
Nassau	32	90	23	73	cl
New York	27	81	23	73	r
San Francisco	24	75	14	57	fr
Seattle	24	75	13	55	pc
Toronto	29	84	18	64	cl
Washington	30	86	18	64	cl

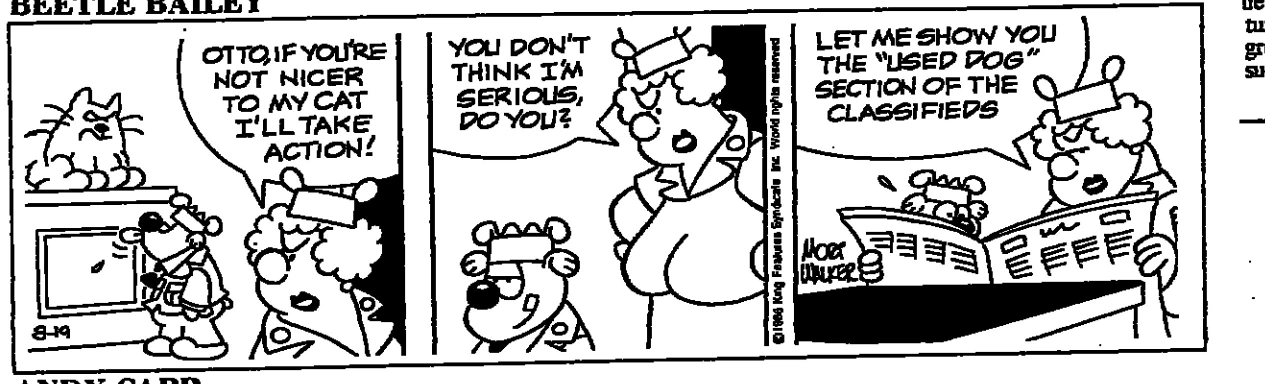
cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Cloudy. Temp. 21 — 12 (70 — 54). LONDON: Changing. Temp. 18 — 10 (64 — 50). MADRID: Fair. Temp. 25 — 14 (77 — 57). NEW YORK: Partly cloudy. Temp. 28 — 21 (82 — 70). PARIS: Cloudy. Temp. 21 — 13 (70 — 55). ROME: Fair. Temp. 29 — 19 (84 — 66). TEL AVIV: N.A. ZURICH: Cloudy Temp. 21 — 14 (70 — 57). BANGKOK: Fair. Temp. 32 — 26 (90 — 79). HONG KONG: Fair. Temp. 32 — 27 (90 — 81). MANILA: Thunderstorms. Temp. 32 — 24 (90 — 75). SEOUL: Rain. Temp. 25 — 22 (77 — 72). SINGAPORE: Fair. Temp. 29 — 22 (84 — 72). TOKYO: Foggy. Temp. 28 — 24 (82 — 75).

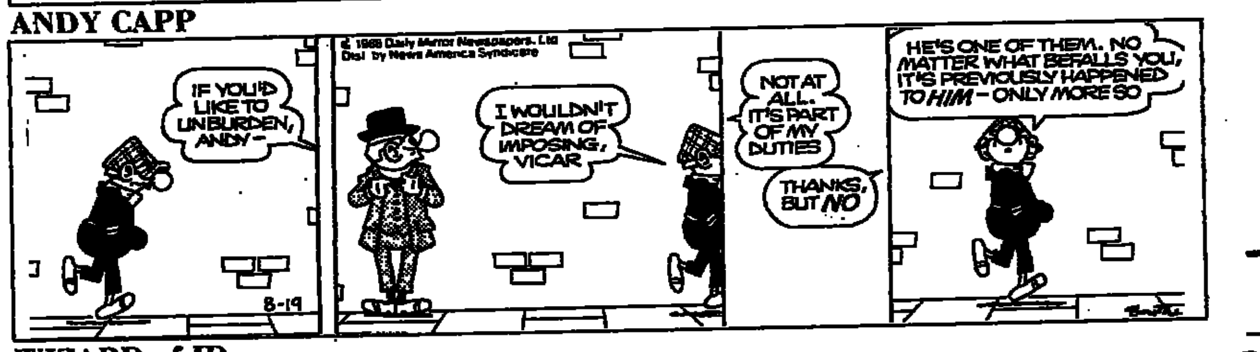
PEANUTS

BLONDIE

BEETLE BAILEY



ANDY CAPP



WIZARD of ID

REX MORGAN

GARFIELD

BOOKS

REGRETS ONLY

By Sally Quinn. 556 pages. $18.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

MAKING BELIEVE

By John Leggett. 295 pages. $16.95. Houghton Mifflin, 2 Park Street, Boston, Mass. 02108.

Reviewed by Christopher Lehmann-Haupt

SADIE GREY, the leading female character in Sally Quinn's first novel, "Regrets Only," is a secret writer. The leading male character, Desmond Shaw, asks to see her work. She lets him read a story called "Fay's Last Chance," about a middle-aged married woman who has an affair with the tennis pro at the country club but can't make up her mind to run off with him. Desmond thinks the story shows promise and encourages Sadie to continue writing under his tutelage. Sadie decides to turn "Fay's Last Chance" into a novel. "Regrets Only" could plausibly be the not wholly successful result.

In certain respects, the novel represents a creative expansion of the short story. The principal characters are more exalted: instead of a housewife and a tennis pro, the lovers are the First Lady of the United States and the Washington bureau chief of a U. S. newsweekly. The theme is grander, too — the stress of political power on the relations of men and women.

But in too many respects, the novel is little more than a version of that short story pumped up to fill more than 500 pages. Too often, gratuitous language fills up the expanded space. Or absurdly trivial details, like a piece of food that catches in the heroine's teeth at a White House dinner. Or nonsensical redundancy: "I've been thinking this one over since it happened, giving it a lot of thought."

John Leggett's new novel, "Making Believe," is sparer, cooler, and more professional, which shouldn't surprise us, considering that the author has four previous novels to his credit, and "Ross and Tom," a double biography.

In "Making Believe," Leggett, since 1970 the director of the Iowa Writers' Workshop, describes with just the dramatic economy we miss in "Regrets Only" the spectacular rise of a maverick priest in the U. S. religious establishment.

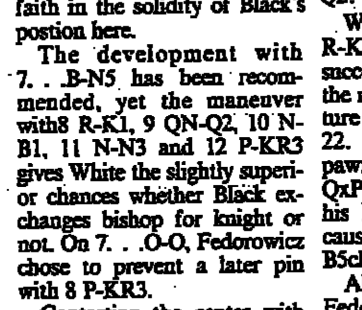
Yet there is something disturbingly bloodless in the story of Royal Train's ascension to the position of Episcopal Bishop of Iowa. Can the problem be the speed with which he progresses from being a skeptical theology student at New York City's General Theological Seminary to a paradigm of "relevant activism" in the pro-civil rights, anti-Vietnam War movements of the 1960s and 1970s?

Or is the reader simply put off by Leggett's weak narrator, Ethan Soames, whose only virtue is to be Johnny-on-the-Spot, whether Roy Train is leading a black demonstration in Tully, Alabama, or protesting the bombing of Cambodia in Iowa City, or facing his church's censure for "conduct unbecoming a clergyman"?

The drama of "Making Believe" is such that we put off attaching a definitive label to our dissatisfaction. We are willing to wait and see. The novel may show how Train makes himself believe in God by playacting, but ultimately it fails to make the reader believe.

Christopher Lehmann-Haupt is on the staff of The New York Times.

Solution to Previous Puzzle



8/19/86

CHESS

By Robert Byrne

PROBABLY the chief drawback to passive defense is that it creates a quiet position in which it is easy to delude oneself into thinking the opponent isn't doing anything.

The game between John Fedorowicz, a New York international master, and Vasily Smyslov of the Soviet Union, a former world champion, played in the Dortmund International Tournament, showed a creeping attack suddenly accelerating into a rout.

The symmetrical Petrov Defense epitomizes passive defense in its main variations, but Smyslov exaggerated this quality by the retreat with 6. . .N-KB3 instead of the usual 6. . .P-Q4. Both he and his late colleague Tigran Petrosian had faith in the solidity of Black's postion here.

The development with 7. . .B-N5 has been recommended, yet the maneuver with8 R-K1, 9 QN-Q2, 10 N-B1, 11 N-N3 and 12 P-KR3 gives White the slightly superior chances whether Black exchanges bishop for knight or not. On 7. . .O-O, Fedorowicz chose to prevent a later pin with 8 P-KR3.

Contesting the center with 9. . .P-B4 allowed Fedorowicz to crystallize his advantage in space with 10 P-Q5, but Smyslov had used this advance before and was apparently satisfied with it.

Smyslov could not well play 11. . .N-R3, with the plan of . . .N-B2,. . .P-QR3,. . .B-Q2,. . .R-N1 and. . .P-QN4, because White gets there first with 12 P-QR3, N-B2; 13 P-QN4.

It is not easy to find a good alternative to the Russian's plan of 12. . .PQR4 and 15. . .N-QN5, yet after 16 B-N1, this outpost for the black QN was virtually useless. Moreover, the knight could not later help with the defense of the king.

On 17 R-K1, it would have been an outright blunder to play 17. . .KNxP? since 18 PxN, BxB; 19 RxRch, QxR; 20 NxB costs Black a piece.

After 18. . .Q-N3, Black had completed his mobilization, but with the black queen and QN so far away, Fedorowicz eagerly began preparing a mating attack with 19 N-Q2!

With 20. . .RxRch; 21 RxR R-K1; 22 RxR, Smyslov was succeeding in exchanging all the rooks, but he had to recapture with 22. . .BxR and not 22. . .NxR?, which loses a pawn to 23 B-R7ch!, KxB; 24 QxP. here, he could not evade his fate by 24. . .N-Q6? because 25 QxQB, QxP; 26 Q-B5ch wins a piece.

Already after 23 N/2-K4!, Fedorowicz's attack was roaring at full clip. After 23. . .B-K2 (alternatives are no better): 24 Q-B5!, there was no defense to the threatened 25 NxNch, BxN; 26 Q-R7ch, K-B1; 27 N-K4!

Thus, 24. . .N-Q2; 25 NxBP!, P-N3; 26 NxN, Q-Q1; 27 Q-B4, BxN puts White a pawn ahead. Smyslov tried 24. . .K-B1, allowing 25 NxN, BxN; 26 N-K4, but he could not play 26. . .B-K2 because 27 Q-R7, P-B3; 28 N-B3! threatens 29 B-B5! followed by 30 B-K6 and 31 Q-N8mate and in this line 28. . .B-Q2 would be futile against 29 B-N6!

He recouped the pawn that he gave up with 26. . .B-K4 by 28. . .BxP, but Fedorowicz infiltrated decisively with 29 Q-N8ch, K-K2; 30 P-Q6ch, K-K3; 31 Q-KB8! Since 31. . .K-Q2; 32 Q-K7ch, K-B1; 33 NxP!, B-B3 (33. . .QxN; 34 P-Q7ch wins the queen); 34 Q-B8ch, Q-Q1; 35 B-B5ch is annihilating, Smyslov gave up.

Position after 23 . . . B-K2

PETROV DEFENSE

	White Fdrwcz	Black Smysl'v		White Fdrwcz	Black Smysl'v
1	P-K4	P-K4	17	R-K1	B-Q2
2	N-KB3	N-KB3	18	B-N3	Q-N3
3	NxP	P-Q3	19	N-Q2	B-KB4
4	N-KB3	NxP	20	Q-B3	RxRch
5	P-Q4	B-K2	21	RxR	R-K1
6	B-Q3	N-KB3	22	RxR	BxR
7	O-O	O-O	23	N/2-K4	B-K2
8	P-KR3	R-K1	24	Q-B5	K-B1
9	P-B4	P-B4	25	NxN	BxN
10	P-Q5	B-B1	26	N-K4	B-K4
11	N-B3	P-QR3	27	BxB	PxB
12	P-QR4	P-QR4	28	QxP	BxP
13	B-N5	P-R3	29	Q-N8ch	K-K2
14	B-R4	N-R3	30	P-Q6ch	K-K3
15	R-B1	N-QN5	31	Q-KB8	Resigns
16	B-N1	B-K2			

World Stock Markets

Via Agence France-Presse Aug. 18

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	606	603
ACF Holding	357.80	353
Aegon	104.20	105.50
Akzo	161.10	161.50
Ahold	96.10	95.50
Amev	81.50	80.70
A'Dam Rubber	10.90	10.95
Amro Bank	110	107.20
BVG	242	242
Buehrmann T	213.50	211
Caland Hldg	19.50	19
Elsevier-NDU	243	239
Fokker	79.60	79.50
Gist Brocades	54.90	54.70
Heineken	187	184.80
Hoogovens	78	81.80
KLM	45	45
Naarden	88.10	54
Nat Neder	87.70	86.70
Nedlloyd	167	168
NMB	221	220
Oce Vander G	516	514
Pakhoed	62.80	60.50
Philips	52.30	52
Robeco	93.80	93
Rodamco	133.70	133.20
Rolinco	85.30	84.50
Rorento	50.50	50.70
Royal Dutch	201.20	196
Unilever	512	504.20
Van Ommeren	37.60	37.60
VMF Stork	30.50	30.50
VNU	345.50	345

ANP.CBS Gen'l Index : 296.70
Previous : 293.70

Brussels

	Close	Prev.
Arbed	2610	2605
Bekaert	12000	12000
Cockerill	133	137
Cobepa	4425	4440
EBES	4760	4800
GB-Inno-BM	7840	7860
GBL	3160	3215
Soc Generale	3135	3190
Gevaert	5970	5910
Hoboken	7530	7530
Intercom	3610	3900
Kredietbank	16025	16100
Petrofina	8920	8850
Sofina	10400	10300
Solvay	7660	7650
Traction Elec	5670	5660
UCB	8300	8250
Unerg	2860	2870
Vieille Montagne	5820	5790

Current Stock Index : 3865.69
Previous : 3889.49

Frankfurt

	Close	Prev.
AEG	319	311.50
Allianz Vers	2488	2472
Altana	400	400
BASF	264.30	264
Bayer	290	285
Bay. Hypo bank	610	N.A.
Bay Vereinsbank	564	558
BBC	328	328
BHF-Bank	539	532
BMW	586	567
Commerzbank	323.50	316
Conti Gummi	319	319
Daimler-Benz	1251	1240
Degussa	468	472
Deutsche Babcock	188	187
Deutsche Bank	830	820
Dresdner Bank	444.90	437.80
Harpener	315	327
Henkel	447.50	435
Hochtief	1150	1140
Hoechst	271	266
Hoesch	160.50	160
Horten	215	213
Hussel	614.50	611
IWKA	288	280.50
Kali und Salz	279.50	275.50
Karstadt	429.50	420
Kaufhof	517	503
Kloeckner H-D	84	218
Kloeckner Werke	84	83.10
Krupp Stahl	153	156
Linde	733	735
Lufthansa	204	196.50
MAN	240.50	238.50
Mannesmann	180.50	180.50
Muench Rueck	3358	3300
Nixdorf	660	644
PKI	886	870.50
Porsche	1068	1070
Preussag	185	184
PWA	231	227.50
RWE	225.50	226
Rheinmetall	408	390
Schering	598.50	594
SEL	369	366
Siemens	689	687
Thyssen	160	162.50
Veba	283.20	279
Volkswagenwerk	517	511
Wella	770	790

Commerzbank Index : 2858.20
Previous : 2897.80

Hong Kong

	Close	Prev.
Bk East Asia	18.40	18.50
Cathay Pacific	5.60	5.45
Cheung Kong	24.70	24.40
China Light	16.70	16.60
Green Island	8.55	8.40
Hang Seng Bank	35	35.25
Henderson	2.70	2.625
China Gas	16.30	16.60
HK Electric	9.70	9.65
HK Realty A	11.70	11.80
HK Hotels	34	34
HK Land	6.55	6.40
HK Shang Bank	7.05	7
HK Telephone	11.90	11.90
HK Yaumatei	3.35	3.325
HK Wharf	8.30	8.20
Hutch Whampoa	34.25	34.25
Hyson	0.72	0.72
Jardine	15.70	15.70
Jardine Sec	15.10	15.20
Kowloon Motor	8.80	8.70
Miramar Hotel	3.425	3.425
New World	6.90	6.70
SHK Props	14.70	14.40
Stelux	1.82	1.76
Swire Pacific A	13.90	13.50
Tai Cheung	2.175	2.15
Wing On Co	1.47	1.47
Winsor	8.05	8
World Int'l	2.775	2.75

Hang Seng Index : 1950.12
Previous : 1935.76

Johannesburg

	Close	Prev.
AECI	1400	1400
Anglo American	5650	5550
Anglo Am Gold	28200	28500
Barlows	1920	1915
Blyvoor	2250	2300
Buffels	9780	9900
De Beers	3345	3375
Driefontein	6200	6200
Freegold	4150	4125
GFSA	4900	4750
Harmony	4300	4400
Hiveld Steel	675	668
Kloof	3050	3100
Nedbank	575	580
Rusplat	5225	5300
SA Brews	1260	1250
St Helena	5200	5300
Sasol	750	760
Welkom	2750	2750

Composite Stock Index : 1744.50
Previous : 1742.90

London

	Close	Prev.
AA Corp	$11	$11¼
Allied-Lyons	335	335
Anglo Am Gold	$55½	557
Ass Brit Foods	314	314
Asda-MFI Gp	148	146
Barclays	489	492
Bass	758	755
B.A.T.	406	395
Beecham	401	483
Blue Circle	538	526
BOC Group	327	329
Boots	224	221
Bowater Indus	323	328
BP	610	601
Brit Telecom	202	204
Brit Aerospace	488	490
Britoil	130	123
BTR	286	286
Burmah	380	380
Cable Wireless	342	344
Cadbury Schw	170	169
Charter Cons	256	250
Commercial U	308	305
Cons Gold	467	467
Cookson Group	476	481
Courtaulds	270	269
Dalgety	283	282
De Beers ‡	680	683
Driefontein	$12¼	$12⅝
Fisons	620	620
Free St Ged	$8¼	$8¾
GEC	190	190
Gen Accident	819	817
GKN	269	269
Glaxo	9 61/64	10
Grand Met	378	380
GRE	822	819
Guinness	330	328
GUS	14⅛	13⅞
Hanson	178	175
Hawker	487	487
ICI	10 3/64	10 3/32
Jaguar	526	543
Land Securities	324	318
Legal General	270	271
Lloyds Bank	437	432
Lonrho	212	213
Lucas	533	535
Marks and Sp	205	205
Metal Box	171	170
Midland Bank	539	537
Nat West Bank	519	522
P and O	513	513
Pilkington	416	420
Plessey	198	198
Prudential	859	854
Racal Elect	186	180
Randfontein	569	$78½
Rank	472	462
Reed Intl	258	258
Reuters	513	513
Royal Dutch ‡	57½	54¼
Rover	40	40
RTZ	597	587
Saatchi	735	736
Sainsbury	398	394
Sears Holdings	118½	116½
Shell	873	856
STC	144	144
Std Chartered	737	729
Storehouse	345	343
Sun Alliance	667	654
Tate and Lyle	588	575
Tesco	400	395
Thorn EMI	482	481
T.I. Group	466	465
Trafalgar Hse	275	275
THF	154	155
Ultramar	136	137
Unilever £	18 51/64	18 29/32
United Biscuits	244	242
Vickers	398	398
War Loan 3½ £	38⅛	38⅛
Woolworth	650	650

F.T.30 Index : 1273.60
Previous : 1271.80
F.T.S.E.100 Index : 1609.80
Previous : 1602.40

Milan

	Close	Prev.
Banca Comm	26000	25240
Cigahotels	4950	4490
CIR	13950	13830
Cred Ital	3350	3315
Eridania	4900	4840
Formitalia	13510	13390
Fiat	15945	15405
Generali	159750	156100
IFI	30430	29900
Italcementi	75900	75800
Italgas	3310	3301
Italmobiliare	136200	140750
Mediobanca	296000	295200
Montedison	3500	3506
NBA	3440	3475
Olivetti	17830	17499
Pirelli	5690	5500
RAS	65200	57580
Rinascente	1185	1179
SIP	3400	3340
SME	1840	1950
Snia	6000	5900
Standa	10800	11940
Stet	5520	5610

MIB Current Index : 1765
Previous : 1734

Paris

	Close	Prev.
Air Liquide	760	775
Alsthom Atl.	325	314
Av Dassault	1410	1401
Bancaire	1245	1250
BIC	608	608
Bongrain	1940	1950
Bouygues	1450	1385
BSN-GD	4110	4095
Carrefour	3372	3370
Chargeurs	1461	1450
Club Med	640	697
Darty	3780	3770
Dumez	1498	1498
Elf-Aquitaine	301	299.80
Europe 1	1053	1082
Gen Eaux	1228	1199
Hachette	2805	2880
Lafarge Cop	1355	1352
Legrand	4490	4390
Lesieur	1098	1085
l'Oreal	3530	3652
Martell	1301	1300
Matra	2415	2406
Merlin	3150	3150
Michelin	3445	3420
Moet Hennessy	2242	2295
Moulinex	75.20	79.10
Occidentale	1040	1040
Pernod Ric	1026	1035
Perrier	775	752
Peugeot	1068	1050
Printemps	630	592
Radiotechn	939	934
Redoute	1980	1935
Roussel Uclaf	1600	1685
Sanofi	696	696
Skis Rossignol	1279	1283
Telemecan	3120	3125
Thomson CSF	1625	1615
Total	398	394.50

CAC Index : 388.80
Previous : 385.30

Singapore

	Close	Prev.
Cerebos	3.76	3.68
Cold Storage	3.56	3.62
DBS	8	8
Fraser Neave	8.40	8.30
Haw Par	3.32	3.28
Hume	2.02	2.02
Inchcape	2.35	2.33
Lum Chang	0.93	0.875
Malayan Banking	3.84	3.82
OCBC	7.90	7.85
OUB	N.Q.	3.14
OUE	N.Q.	2.45
Shangri-la	3.12	3.14
Sime Darby	1.45	1.43
S'pore Airlines	7.40	7.55
S'pore Land	4.74	4.64
S'pore Press	8.40	8.40
S Steamship	1.61	1.64
St Trading	3.32	3.32
UOB	4.10	4.24
United Overseas	1.25	1.25

Straits Times Ind Index : 809.84
Previous : 803.62

Stockholm

	Close	Prev.
AGA	213	212
Alfa Laval	353	350
Asea	367	365
Astra	700	695
Atlas Copco	226	227
Beijer	169	167
Boliden	226	226
Electrolux	306	303
Ericsson	223	225
Esselte	595	560
Fermenta	143	145
Handelsbanken	455	455
Pharmacia	215	214
Saab-Scania	730	N.Q.
Sandvik	188	191
Skanska	188	187
SKF	340	338
SwedishMatch	364	368
Volvo	417	409

Affaersvaerlden Index : 725.60
Previous : 726.90

Sydney

	Close	Prev.
ACI	3.55	3.57
ANZ	4.90	4.82
BHP	7.92	8.20
Boral	4.24	4.25
Bougainville	2.85	2.82
Coles Myer	4.65	4.60
Comalco	2.35	2.30
CRA	6.04	5.86
CSR	2.80	2.85
Dunlop	3.58	3.40
Elders Ixl	4.28	4.36
ICI Australia	2.45	2.48
Magellan	1.30	1.30
MIM	1.84	1.78
Nat Aust Bank	5.44	5.48
News Corp	23.80	23.30
N Broken Hill	2.05	2
Poseidon	2.70	2.70
Qld Coal Trust	1.64	1.61
Santos	3.75	3.70
Thomas Nation	3.25	3.15
Western Mining	3.65	3.56
Westpac Banking	4.78	4.64
Woodside	0.90	0.92

All Ordinaries Index : 1185.90
Previous : 1177.20

Tokyo

	Close	Prev.
Akai	397	405
Asahi Chemical	870	879
Asahi Glass	1190	1200
Bank of Tokyo	958	940
Bridgestone	647	640
Canon	890	890
Casio	1230	1240
C.Itoh	885	865
Dai Nippon Print	1900	1850
Daiwa House	1720	1640
Daiwa Securities	2250	2130
Fanuc	6100	6150
Fuji Bank	1730	1750
Fuji Photo	2640	2600
Fujitsu	870	841
Hitachi	860	836
Hitachi Cable	1100	1060
Honda	1020	1020
Japan Air Lines	10200	10300
Kajima	1220	1180
Kansai Power	4230	4100
Kawasaki Steel	218	216
Kirin Brewery	1640	1610
Komatsu	490	490
Kubota	400	415
Kyocera	3500	3400
Matsu Elec Inds	1260	1250
Matsu Elec Works	1540	1510
Mitsubishi Bank	1680	1730
Mitsubishi Chem	887	899
Mitsubishi Elec	467	472
Mitsubishi Heavy	585	583
Mitsubishi Corp	1120	1090
Mitsui and Co	690	651
Mitsukoshi	1280	1260
Mitsumi	1160	1130
NEC	1510	1460
NGK Insulators	826	859
Nikko Sec	1940	1890
Nippon Kogaku	675	684
Nippon Oil	1100	1150
Nippon Steel	281	282
Nippon Yusen	535	520
Nissan	567	561
Nomura Sec	3380	3290
Olympus	991	1010
Pioneer	1830	1850
Ricoh	770	774
Sharp	845	848
Shimazu	931	925
Shinetsu Chemical	886	895
Sony	2870	2820
Sumitomo Bank	2310	2340
Sumitomo Chem	435	451
Sumitomo Marine	1220	1170
Sumitomo Metal	168	165
Taisei Corp	730	718
Taisho Marine	1200	1180
Takeda Chem	2050	1990
TDK	3080	3080
Teijin	590	613
Tokio Marine	1780	1670
Tokyo Elec. Power	7150	6750
Toppan Printing	1620	1550
Toray Ind	749	753
Toshiba	629	635
Toyota	1360	1370
Yamaichi Sec	1950	1870

Nikkei 225 : 18597.44
Previous : 18376.41
New Index : 1548.23
Previous : 1529.29

Zurich

	Close	Prev.
Adia	6900	6900
Alusuisse	625	625
Autophon	7050	7050
Bank Leu	3775	3750
Brown Boveri	1685	1660
Ciba Geigy	3400	3300
Credit Suisse	3750	3750
Electrowatt	3300	3300
Interdiscount	5350	5320
Jacob Suchard	8500	8225
Jelmoli	3730	3740
Landis Gyr	1800	1800
Moevenpick	6250	6250
Nestle	8175	8075
Oerlikon-B	1710	1700
Roche Baby	10500	10400
Sandoz	1650	1640
Schindler	3550	3550
Sulzer	580	545
Surveillance	6450	6475
Swissair	1350	1350
SBC	545	539
Swiss Reinsurance	3000	3025
Swiss Volksbank	2500	2490
Union Bank	5680	5675
Winterthur	6800	6450
Zurich Ins	3250	3200

SBC Index : 628.30
Previous : 625.70

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto *Aug. 15*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
2737	Abti Prce	$23¾	23½	23½	— ¼
11800	Agnico E	$27⅛	26⅞	26⅞	— ⅜
500	Agra Ind A	$16¼	16¼	16¼	— ¼
28676	Alt Energy	$12⅞	12⅝	12⅝	— ¼
700	Alta Nat	$12½	12½	12½	
1018	Algoma St	$13¼	13⅛	13⅛	— ⅛
73632	A Barick	$17⅛	16½	16⅝	— ⅜
11800	Atco I f	$8⅛	8¼	8¼	
21531	BCED	370	365	365	
200	BCED A	36	6	6	
131417	Bank BC	255	250	255	+ 5
43333	Bank N S	$15⅛	15⅛	15⅛	+ ⅛
1000	Baton	$25⅛	25	25	
2112	Bonanza R	175	165	175	+10
3000	Bralorne	160	160	160	+ 3
550	Bramalea	$22⅛	22¼	22¼	— ½
100	Brenda M	$8⅛	8¼	8¼	
15721	BCFP	$13	12⅞	13	
340175	BC Res	130	125	129	+ 4
6877	BC Phone	$27¼	27	27¼	+ ¼
300	Brunswk	$13	13	13	— ⅛
7130	Budd Can	$40	39¾	40	+ ¼
23840	CAE	$11⅞	11⅛	11⅛	
100	CCL A	$18⅛	18¼	18¼	— ⅜
16400	CCL B f	$18½	18¼	18¼	
95450	Cad Frv	$32½	31½	32¼	+ ⅛
5000	Campeau f	$27⅞	27½	27⅝	+ ⅛
5406	C Nor West	$15	15	15	
1900	C Packrs	$16½	16¼	16¼	— ¼
100	CGE	$96	96	96	+ 4
90503	CI Bk Com	$17⅞	17⅛	17⅛	+ ⅛
51411	CTire A f	$14⅛	13⅞	14⅛	
179	C Util B	$19	19	19	
1600	Cara	$10⅛	10	10	— ½
100	Celanese	$16⅞	16⅞	16⅞	+ ½
400	Celan 175 p	$23¼	23	23½	— ⅛
5100	Centrl Tr	$19⅛	18⅞	19⅛	+ ½
12120	Cineplex	$19⅞	19⅛	19⅛	+ ½
18570	C Distb A	$7	6⅞	6⅞	
79840	CDistb B f	$6⅞	6⅞	6⅞	— ⅛
1900	CTL Bank	$10½	10¼	10¼	
500	Coseka R	100	100	100	
100	Conron A	$17	17	17	
1300	Crownx	$28⅞	28½	28⅞	+ ¼
5000	Czar Res	140	140	140	
15301	Denison A p	$5⅞	5⅞	5⅞	
16004	Denison B f	$5⅞	5⅞	5⅞	
2500	Dickensn A f	$8½	8⅛	8⅛	
100	Dickensn B	$8⅛	8⅛	8⅛	
26004	Dofasco	$24¼	23⅞	23⅞	+ ½
900	Du Pont A	$34⅞	34⅛	34⅞	+ ⅛
105100	Dylex A	$16⅞	16½	16⅞	+ ⅛
100	Elcthom X	$11⅛	11⅛	11⅛	— ⅛
300	Emco	$31	31	31	+ ½
4500	Equity Svr	$5	485	5	
58600	FCA Intl	$21	20	20½	+ ½
800	C Falcon C	$16½	16¼	16¼	— ½
44100	Ficnbrdge	$18⅞	18⅛	18⅛	— ⅛
107300	Fed Ind A	$16⅛	15⅞	16⅛	+ ⅛
1600	F City Fin	$13⅞	13½	13⅞	+ ⅛
300	Gendis A	$19½	19½	19½	+ ⅛
2100	Geac Comp	465	465	465	— 5
1000	Gibraltar	$8⅞	8½	8½	
6710	Goldcorp f	$7⅞	7½	7½	
100	Goodyear	$43	43	43	+ 1
300	Grafl G	$17½	17½	17½	— ⅛
180	GL Forest	$23⅞	23½	23½	+ ½
500	Greyhnd	$27	27	27	+ ¼
2000	H Group A	480	470	480	+30
25412	Hawker	$28	27½	28	+ ¼
5652	Hayes D	$14⅞	14¼	14⅞	+ ¼
44050	Hees Intl	$32⅛	31⅞	32	
1968	Hollinger I	$23⅛	23	23	— ⅛
114794	H Bay Co	$28⅞	28⅛	28⅛	— ⅛
23340	Imasco	$35	34⅞	34⅞	— ⅜
500	Indal	$14¼	14¼	14¼	— ¼
1600	Inland Gas	$12⅞	12¼	12⅞	
2700	I Corona a	$21⅛	20⅞	20⅞	— ⅛
14550	Intl Thom	$11½	11⅛	11⅛	— ⅛
19030	Inter Pipe	$38⅞	38	38	— ½
500	Ipsco	$8⅞	8⅛	8⅛	— ⅛
200	Ivaco B	$20⅞	20¼	20¼	— ⅛
3715	Jannock	$25	24⅞	24⅞	— ⅛
704	Kerr Add	$16½	16½	16½	
31630	Labatt	$24⅛	24	24	— ¼
1400	Lacana	$9⅞	9⅞	9⅞	— ⅛
972	LOnt Cem	$25	24⅞	24⅞	— ⅛
24975	Loblaw Co	$13	12⅞	12⅞	— ⅛
15900	Lumonics	$13⅞	13½	13½	
34380	Magna A f	$35⅞	35⅛	35⅛	+ ⅛
500	MDS H A	$16	16	16	— ¼
42300	MICC	$7½	7⅛	7⅛	— ⅛
6800	Mclan H X	$19	18⅞	18⅞	
4393	Maritime f	$15⅛	15½	15⅛	+ ⅛
10462	Molson A f	$26⅛	26½	26⅛	+ ⅛
40	Molson B	$26⅞	26⅞	26⅞	— ⅛
175	Murphy	$17⅞	17⅞	17⅞	+ ⅛
880	Nabisco L	$38	37¾	38	+ ¼
32364	Noranda	$18⅞	18⅛	18⅛	
1039	Norcen	$13⅛	13⅛	13⅛	+ ⅛
58816	Nva AltA f	475	455	460	+ 5
9500	NuWst sp A	25	23	24	+ 1
1300	Oakwood	260	255	255	— 5
68090	Omnibus o	$7¼	7	7¼	+ ⅛
9270	Oshawa A f	$23½	23	23½	+ ½
13810	Pac W Airln	$17½	17¼	17½	+ ⅛
4000	Pamour	$11¼	11	11¼	— ⅛
1400	PanCan P	$26½	26	26½	+ ½
15900	Pembina	$14⅛	14	14⅛	+ ⅛
260	Pine Point	$9⅞	9½	9⅞	+ ⅛
96920	Placer	$27⅞	27⅛	27⅝	+ ⅛
25775	Que Sturg a	485	465	485	
2600	Rayrock f	$6⅛	6	6	— ⅛
14000	Redpath	$26⅛	26½	26½	— ⅛
2366	ReedSt 1 Sp	$53⅛	53⅛	53⅛	— ⅛
1260	Rogers A	$25	25	25	— 1
1100	Roman	$10⅛	9⅞	10	— ⅛
300	Rothman	$39	38½	38½	— ⅛
436	Sceptre R	263	263	263	+11
25900	Scotts f	$39½	39⅛	39⅛	— ⅛
4850	Sears Can	$12⅛	12⅛	12⅛	
4100	SHL Systm	$25⅛	25⅛	25⅛	
15453	Selkirk A f	$24⅞	24⅛	24⅛	— ⅛
15400	Shell Can	$22⅞	22⅛	22⅞	+ ⅛
448	Sherritt	$6⅛	6⅛	6⅛	+ ⅛
75	Slater B f	$14⅛	14⅛	14⅛	
3363	Southam	$23⅛	23	23	— ⅛
3225	Spar Aero f	$24⅞	24⅞	24⅞	+ ⅛
31497	Stelco A	$20⅞	20½	20⅞	
1140	Teck Cor A	$24	23½	23½	— ⅛
34100	Teck B f	$24	23⅞	23⅞	— ⅛
17625	Tex Can	$28⅛	27⅞	28⅛	+ ⅛
45262	Thom N A	$30	29⅞	30	
73417	Tor Dm Bk	$22⅞	22⅛	22⅛	— ⅛
114975	Torstar B f	$33	32⅞	33	
5050	Traders A f	$49⅞	49⅛	49⅞	+ ⅛
58580	Trns Mt	$14⅞	14⅛	14⅛	— ⅛
2100	Trinity Res	55	55	55	
26741	TrnAlta UA	$29⅞	29⅛	29⅛	— ⅛
80461	TrCan PL	$16⅞	16⅛	16⅛	+ ⅛
6430	Trimac	235	220	235	+15
36424	Triton A	$32½	32⅛	32⅛	+ ⅛
4305	Trizec A f	$33	32⅛	32⅛	— ⅛
108200	Turbo	64	64	64	— 1
12625	Unicorp A f	$8⅛	8⅛	8⅛	— ⅛
2100	U Entprise	$11⅛	11⅛	11⅛	+ ⅛
15583	U Keno	$7	7	7	— ⅛
2400	Versil A f	185	185	185	
5000	Vestgron	75	60	75	+15
2800	Wardair	$16¼	16	16	
14000	Westmin	$7⅛	7	7	— ⅛
2425	Weston	$33⅞	33⅛	33⅞	+ ⅛
500	Woodwd A	$6⅞	6⅛	6⅛	

Total sales 14,349,312 shares

	Close	Previous
TSE 300 Index:	3,031.10	3,030.80

Montreal *Aug. 15*

Sales	Stock	High	Low	Close	Chg.
73717	Bank Mont	$32½	32⅛	32⅛	— ⅛
1365	BombrdrA	$22⅛	21⅞	22	+ ⅛
13620	BombrdrB	$22	21⅞	21⅞	— ⅛
1025	CB Pak	$26½	26⅛	26⅛	+ ⅛
118484	Cascades	$18⅛	17⅛	17⅛	+ ⅛
600	CIL	$27	26⅞	26⅞	— ⅛
2500	ConBath	$22	22	22	
869	DomTxtA	$19⅛	19⅛	19⅛	
9075	MntlTrst	$21⅛	21⅛	21⅛	
74640	NatBk Cda	$26	25⅞	26	+ ⅛
16099	Noverco	$12⅞	12⅛	12⅞	+ ⅛
14765	Power Corp	$16⅛	16⅛	16⅛	
11760	Provigo	$18⅛	18⅛	18⅛	— ⅛
2100	RollandA	$14⅛	14	14	
600	RollandB	$14⅛	14⅛	14⅛	
34326	Royal Bank	$33⅛	33⅛	33⅛	+ ⅛
350	RoyTrstco	$33⅜	33⅛	33⅛	+ ⅛
13825	SteinbrgA	$42⅛	42	42	+ ⅛

Total Sales 2,979,655 shares.

	Close	Previous
Industrials Index:	1,273.88	1,274.41

BUSINESS PEOPLE
IN THE IHT EVERY WEDNESDAY, THURSDAY, FRIDAY
—FOR THE LATEST NEWS ON CORPORATE MANAGEMENT CHANGES—WORLDWIDE

SPORTS

Twins Gamble Again, Lose Again to Mariners' Power

Compiled by Our Staff From Dispatches

SEATTLE — Minnesota pitchers were tired of being beaten by Alvin Davis, so they gambled on pitching to Ken Phelps. They lost that one, too.

Davis had hit game-winning, ninth-inning home runs the previous two nights, so in Sunday's seventh inning, with Minnesota trailing by 3-1, Mike Smithson intentionally walked him to pitch to Phelps. That was logical enough — Phelps having gone 47 at-bats without a home run after producing one in every 14 at-bats for most of the season. But he snapped out of his slump with a 420-foot, three-run homer that spurred Seattle to an 11-1 victory.

"Home runs all feel good," said the Mariners' designated hitter. "There's nothing you can do but go up and hack. You can't worry how long it takes between them."

Minnesota, which leads the American League in homers, hit only one (and won only once) in the four-game series, Kirby Puckett's bases-empty shot in Sunday's sixth inning.

"If you told me we were going to

BASEBALL ROUNDUP

come into the Kingdome and not hit any home runs, I'd have laughed in your face," said Ray Miller, the losing manager. "They tied our hitters up good. They shut everyone down but Puckett."

Davis did, in fact, hit a home run for the third consecutive game and Scott Bradley also homered and drove in three runs to support Mike Morgan's six-hitter.

Morgan struck out seven to tie his career high and walked three as Seattle moved out of last place in the Western Divison, a percentage point ahead of the Twins. It was Morgan's sixth complete game of the year.

Phelps's 18th home run of the season set the Mariners up for a five-run eighth (Scott Bradley hit a two-run homer, Phil Bradley a two-run double and Davis added an RBI single) against Roy Lee Jackson.

Red Sox 7, Tigers 5: In Boston, Marty Barrett ignited a three-run fifth with a single, and doubled home the tie-breaker in a three-run sixth to lead the Red Sox over Detroit. Reliever Calvin Schiraldi, obtained last fall in the multiplayer deal that sent Bob Ojeda to the New York Mets, earned his first American League victory. Recalled from the minors by the Red Sox on July 18, Schiraldi had earned five saves and allowed one run and in his first 11 appearances. The Tigers broke his string of scoreless innings at 24.

Indians 11, Orioles 6: In Cleveland, rookie Cory Snyder hit two home runs, including a three-run shot that capped a six-run third, and Pat Tabler and Tony Bernazard had three hits each as the Indians defeated Baltimore for the seventh time in the teams' last eight meetings. Snyder, recalled from the minors in mid-June, has hit 16 home runs and driven in 40 runs in his 58 games with Cleveland. Tabler, with 35 hits in his last 82 at-bats, has raised his batting average to .302.

Blue Jays 8, Rangers 7: In Toronto, Ernie Whitt put a 1-1 pitch from reliever Jeff Russell against the right-field foul pole for an 11th-inning homer that gave the Blue Jays a three-game sweep of Texas.

Royals 5, Yankees 0: In Kansas City, Missouri, home runs by Willie Wilson, George Brett and Frank White backed the six-hit pitching of Mark Gubicza, who struck out a career high 10 and walked none. It was Gubicza's fourth straight victory and second consecutive shutout.

Angels 7, A's 3: In Anaheim, California, Doug DeCinces and Bobby Grich delivered key singles in a two-run sixth that gave Don Sutton his 306th career victory and California a three-game series sweep. Sutton, 306-237 lifetime, had been winless in two decisions against Oakland, the only team he had never beaten during his 21-year career. Sutton and Atlanta's Doyle Alexander are the only active pitchers to have defeated every team in the majors.

White Sox 7, Brewers 4: In Chicago, designated hitter Ron Hassey went 3-for-3, with a homer and two RBIs to help Steve Carlton pick up his 320th career victory and his first in the American League. Carlton, 42 and a four-time Cy Young Award winnner, started the season with Philadelphia but was released by the Phillies and signed as a free agent with San Francisco. He then "retired" rather than be released by the Giants, and signed as a free agent by the White Sox last week.

Braves 4, Astros 3: In the National League, in Atlanta, Bob Horner drove in Rafael Ramirez in the eighth with the run that lifted the Braves past Houston. Ramirez, who had three hits and scored two runs, led off the inning with a single, stole second and went to third on an errant throw by catcher Alan Ashby before Horner brought him home with a sacrifice fly.

Cardinals 2, Mets 1; Mets 9, Cardinals 2: In New York, Danny Heep drove in three runs, two with a home run, to help the Mets snap their longest losing streak of the year, four games, and earn a doubleheader split. In the opener, Tommy Herr doubled and scored two runs to spark St. Louis.

Dodgers 2, Giants 0: In San Francisco, Rick Honeycutt pitched a two-hitter through eight innings, and Alex Trevino homered to send Vida Blue and the Giants to defeat before a crowd of 49,496, the biggest of the year at Candlestick Park.

Cubs 2, Expos 1: In Montreal, Manny Trillo, who had driven in a run in the fourth, doubled in the ninth and scored the decisive run on Terry Francona's sacrifice fly.

Padres 9, Reds 5: In Cincinnati, Bruce Bochy drove in three runs, and John Kruk and Tony Gwynn had three hits apiece to lead San Diego. Winner LaMarr Hoyt departed during a four-run sixth, when Buddy Bell, Barry Larkin and Ron Oester all hit home runs.

Phillies 5, Pirates 1: In Philadelphia, Gary Redus homered to highlight a four-run first; rookie left-hander Bruce Ruffin allowed only four hits before the game was called at the end of five innings because of rain. *(AP, UPI)*

Richard Harbus/Reuters-United Press International

Umpire Doug Harvey ruled emphatically that baserunner Steve Lake of St. Louis beat the fifth-inning tag by Met catcher John Gibbons in the nightcap of Sunday's doubleheader.

B. Vorton Boyajian/The Associated Press

Tyson, on TKO, Extends Record to 26-0

Unbeaten heavyweight Mike Tyson, scoring above with a left hook, stopped José Ribalta at 1:37 of the 10th round Sunday night in Atlantic City, New Jersey, and ran his record to 26-0. The 20-year-old put Ribalta down in the second, eighth and 10th before scoring the 24th knockout of his career.

Sore Point: Baseball's Leisurely Pace

New York Times Service

NEW YORK — As many fans with sore backsides may have suspected, major-league baseball games are running longer this season. The average game these days lasts about 2 hours 48 minutes — seven minutes more than in 1985 and 23 minutes more than a decade ago.

In 1976, the New York Yankees averaged 2:28 a game and the New York Mets 2:21. This season, a game at Yankee Stadium requires almost three hours (2:59) to reach completion, and at Shea Stadium the average playing time is 2:53.

Increased television coverage with additional commercial breaks, long lines of relief pitchers trudging to the mound and then warming up plus a general "what's-the-hurry?" attitude from most players seem to be some of the factors contributing to the extended time between the umpire's call of "Play ball" and the fan's remark, "O.K., now let's go home."

In only three major-league parks this year have games been averaging under 2 hours 40 minutes. Those are in Kansas City, Houston and San Diego, all at 2:39.

Yankee fans cheered vigorously for Tommy John, the 43-year-old sinkerball pitcher, when he was removed from two recent games in the eighth inning.

Perhaps they were applauding not only his shutout pitching, but also the speed with which he worked. The playing times for John's two starts were 2:10 and 2:16.

International Final Strictly a Family Affair

Compiled by Our Staff From Dispatches

CASTLE ROCK, Colorado — The heat was off, Ken Green said, once he'd he qualified as one of the 12 finalists in the inaugural International golf tournament.

"I'm not Greg Norman or Bernhard Langer or Jack Nicklaus. I don't have millions of dollars. When I made the final field, I knew the worst I could do was win $28,000 [for 12th place]. That's a lot of money to me."

He did far better than that. The PGA tour journeyman made two par-saving putts and birdied two of the last three holes to win the International's top prize of $180,000.

Green, 28, also received a big hug from his sister Shelley, who serves as his caddie — and sometimes the butt of his one-liners — after he finished with his best final round of the year.

It was a bogey-free 66, 6-under-par on the Castle Pines Golf Club course, which sprawls 7,503 yards (6,863 meters) through the foothills of the Rocky Mountains.

But that 66 didn't matter. Scoring in this first-year $1 million event was based on a modified Stableford system (10 points for double eagles, 5 for eagles, 2 for birdies, 0 for pars, -1 for bogeys and -3 for double bogeys or worse).

Under the unorthodox system, Green had 12 points and won by three after leading over most of the back nine.

"Awesome," said Green. "Incredible. I kind of amaze myself sometimes. I'm not in the heat that often — I've had a chance to win maybe four tournaments — but something seems to click when I get in it."

Green, whose only previous victory in five years on the tour came in the 1985 Buick Open, had six birdies. He took the lead with a 15-foot (4.56-meter) birdie putt on the 12th hole and held it the rest of the way.

As he walked down the 13th fairway, Green looked into a nearby television camera and told all of those watching: "I'm just going to try to keep from choking."

The victory, which put Green in the upcoming World Series of Golf, brought him more money than he'd earned in any previous season on the tour. "I can't even think about how much money this is," he said. "This is a lot of bucks."

West German Bernhard Langer, Howard Twitty and South African Nick Price offered challenges down the stretch, but Green turned them back. He sank critical par putts on the 14th and 15th, birdied the 16th after a beautiful approach to within six feet, and then all but wrapped it up with a two-putt birdie on the par-4 17th. That put him four points in front going to the last hole.

Golfers and their caddies sometimes have special relationships, but rarely are they closer than that of the Greens.

"Shelley keeps me calm," Green said. "I depend and rely on her in ways I can't with another caddie."

"All Kenny has to do is play golf," said the caddie. "I handle everything else." Shelley Green, 29, began working for her brother three years ago. "He asked me if I wanted to do it full-time," said the former bookkeeper. "He didn't have anybody steady. In my first tournament, I almost lost my job because of talking to him all the time. Now I know when to talk and when not to.

"I'm not in this for the money. There are people who said he could never play on the tour. I want to help prove them wrong."

Her brother "says things to me he wouldn't say to a normal caddie. I think it helps relax him. We'll talk about friends back home, for instance."

The Greens had engaged in a bit of subterfuge during the week. "I'd been sick, and when I got here on Tuesday I thought, 'This course is a killer,' " said Green of Castle Pines, which lies at an elevation of 6,600 feet above sea level. "I'm a fat guy. I don't exercise. I was worried about making it around here.

"On the killer holes, I'd tell Shelley to slow down and wait behind me. I'd climb up to the tee and take a few moments to catch my breath. The other players wouldn't think I was being slow because I didn't have my clubs."

Asked how much his sister would get from his paycheck, Green said, "She isn't getting anything." Then, smiling, he recanted: "No, I'll take care of Shelley. I couldn't have won it without her. I wouldn't trade her for anything."

Said the caddie: "He always gives me a hard time." *(AP, UPI)*

David Zalubowski/Reuters-United Press International

Winner Ken Green and Shelley, his sister, friend and caddie.

E. German Woman Sets 200-Breaststroke Mark

MADRID (Reuters) — Silke Hörner of East Germany set a world record of 2 minutes, 27.40 seconds in winning the women's 200-meter breaststroke competition at the world swimming championships here Monday.

Hörner, 20, beat the mark of 2:28.20, set by compatriot Silvia Gerasch in Leningrad last Feb. 28.

SCOREBOARD

Baseball

Major League Leaders

AMERICAN LEAGUE

	G	AB	R	H	Pct.
Boggs, Bos.	110	412	77	144	.350
Puckett, Min.	118	503	91	174	.346
Mattingly, N.Y.	119	503	83	171	.340
Rice, Bos.	113	454	67	149	.328
Fletcher, Tex.	108	384	63	125	.326
Easler, N.Y.	109	388	54	124	.320
Bell, Tor.	117	469	83	149	.318
Fernandez, Tor.	119	502	73	156	.311
Bernazard, Cle.	112	413	62	128	.310
Ward Tex	91	337	48	104	.309

Runs: R.Henderson, New York, 104; Puckett, Minnesota, 91; Bell, Toronto, 83; Mattingly, New York, 83; Barfield, Toronto, 81.

RBIs: Canseco, Oakland, 94; Barfield, Toronto, 90; Bell, Toronto, 87; Joyner, California, 83; Mattingly, New York, 82.

Hits: Puckett, Minnesota, 174; Mattingly, New York, 171; Fernandez, Toronto, 156; Bell, Toronto, 149; Rice, Boston, 149.

Doubles: Mattingly, New York, 39; Boggs, Boston, 31; Buckner, Boston, 31; Rice, Boston, 31; Barfield, Toronto, 30; Barrett, Boston, 30; Puckett, Minnesota, 30.

Triples: Butler, Cleveland, 8; Fernandez, Toronto, 8; Sierra, Texas, 7; GWalker, Chicago, 6; Owen, Seattle, 6; Upshaw, Toronto, 6; Wilson, Kansas City, 6.

Home Runs: Barfield, Toronto, 30; Kingman, Oakland, 28; Bell, Toronto, 27; Deer, Milwaukee, 27; Balboni, Kansas City, 26; Canseco, Oakland, 26; Pagliarulo, New York, 26.

Stolen Bases: R.Henderson, New York, 70; Cangelosi, Chicago, 44; Pettis, California, 32; 6 are tied with 24.

PITCHING (10 decisions)

Won-Lost/Winning Pct./ERA: Clemens, Boston, 18-4, .818, 2.61; Rasmussen, New York, 12-4, .750, 3.65; Schrom, Cleveland, 11-4, .733, 4.35; King, Detroit, 8-3, .727, 3.70; Eichhorn, Toronto, 10-4, .714, 1.84.

Strikeouts: Clemens, Boston, 180; Morris, Detroit, 165; MWitt, California, 157; McCaskill, California, 153; Langston, Seattle, 152.

Saves: Aase, Baltimore, 29; Righetti, New York, 28; Hernandez, Detroit, 20; Camacho, Cleveland, 17; Henke, Toronto, 17.

NATIONAL LEAGUE

	G	AB	R	H	Pct.
Brooks, Mon.	80	306	50	104	.340
Backman, N.Y.	88	293	50	98	.334
C.Brown, S.F.	99	368	50	123	.334
Gwynn, S.D.	117	463	78	154	.333
Raines, Mon.	109	424	66	141	.333
Sax, L.A.	113	450	63	145	.322
Bass, Hou.	117	437	63	137	.314
Dykstra, N.Y.	107	325	57	101	.311
Ray, Pit.	111	416	51	127	.305
Hayes, Phil.	115	432	72	128	.296
K.Hernandez, N.Y.	112	423	68	125	.296

Runs: Gwynn, San Diego, 78; Hayes, Philadelphia, 72; G.Davis, Houston, 71; Murphy, Atlanta, 71; Doran, Houston, 69.

RBIs: Carter, New York, 87; Schmidt, Philadelphia, 87; Parker, Cincinnati, 83; G.Davis, Houston, 77; Hayes, Philadelphia, 68.

Hits: Gwynn, San Diego, 154; Sax, Los Angeles, 145; Raines, Montreal, 141; Bass, Houston, 137; Sandberg, Chicago, 130.

Doubles: Hayes, Philadelphia, 31; R.Reynolds, Pittsburgh, 29; Dunston, Chicago, 28; Ray, Pittsburgh, 28; Sax, Los Angeles, 28.

Triples: Raines, Montreal, 10; Samuel, Philadelphia, 10; Webster, Montreal, 8; Coleman, St. Louis, 7; McGee, St. Louis, 7.

Home Runs: Schmidt, Philadelphia, 26; G.Davis, Houston, 25; Parker, Cincinnati, 24; Murphy, Atlanta, 22; Stubbs, Los Angeles, 20.

Stolen Bases: Coleman, St. Louis, 86; E.Davis, Cincinnati, 60; Raines, Montreal, 52; Duncan, Los Angeles, 44; Doran, Houston, 38.

PITCHING (10 decisions)

Won-Lost/Winning Pct./ERA: S.Fernandez, New York, 13-4, .765, 3.27; Gooden, New York, 12-4, .750, 3.01; Mathews, St. Louis, 9-3, .750, 3.13; Ojeda, New York, 12-4, .750, 2.69; Darling, New York, 11-4, .733, 2.80.

Strikeouts: Scott, Houston, 223; Valenzuela, Los Angeles, 178; S.Fernandez, New York, 144; Welch, Los Angeles, 142; Ryan, Houston, 137.

Saves: Worrell, St. Louis, 27; Reardon, Montreal, 26; D.Smith, Houston, 24; Le.Smith, Chicago, 23; Gossage, San Diego, 20.

Sunday's Line Scores

AMERICAN LEAGUE

Detroit 020 101 010—5 9 0
Boston 100 022 02x—7 9 1

King, Tanana (6) and Heath, Lowry (7); Hurst, Schiraldi (6) and Gedman. W—Schiraldi, 1-0. L—King, 8-3. HRs—Detroit, Lemon (6), DeEvans 2 (21).

New York 000 000 000—0 6 0
Kansas City 110 100 20x—5 9 0

Guidry, Stoddard (8) and Skinner, Espino (8); Gubicza and Sundberg. W—Gubicza, 7-5. L—Guidry, 6-10. HRs—Kansas City, Brett (13), White (14), Wilson (6).

Baltimore 010 310 100—6 12 3
Cleveland 106 120 10x—11 12 1

Boddicker, Arnold (4), Havens (5), Jones (5), McGregor (7) and Stefero, Sheets (7); Schrom, Noles (4), Oelkers (5), Wills (8) and Allanson. W—Oelkers, 2-2. L—Boddicker, 14-7. HRs—Cleveland, Snyder 2 (16).

Texas 320 001 100 00—7 11 0
Toronto 000 204 100 01—8 13 1

Mason, Mahorcic (6), Williams (6), Harris (7), Russell (11) and Porter, Slaught (8); Clancy, Cerutti (2), Eichhorn (8) and Martinez, Whitt (7). W—Eichhorn, 10-4. L—Russell, 4-2. HRs—Texas, McDowell 2 (16), Parrish (18). Toronto, Whitt (11).

Milwaukee 020 100 010—4 4 1
Chicago 100 228 02x—7 16 0

Leary, Clutterbuck (4), Birkbeck (6), Plesac (8) and Schroeder; Carlton, Thigpen (8) and Hassey. W—Carlton, 1-1. L—Clutterbuck, 0-1. Sv—Thigpen (1). HRs—Milwaukee, Deer (27). Chicago, Hassey (8).

Minnesota 000 001 000—1 6 1
Seattle 100 101 25x—11 11 0

Smithson, Jackson (7), Anderson (8) and Salas, Reed (8); Morgan and S.Bradley. W—Morgan, 9-12. L—Smithson, 9-11. HRs—Minnesota, Puckett (24). Seattle, Davis (16), Phelps (18), S.Bradley (3).

Oakland 010 100 001—3 9 2
California 101 002 12x—7 12 0

Andujar, Von Ohlen (6), Bair (6), Leiper (7), Howell (7) and Tettleton, Willard (9); Sutton, Lucas (7) and Narron. W—Sutton, 11-9. L—Andujar, 7-5. Sv—Lucas (1). HRs—Oakland, Lansford (11), Davis (14).

NATIONAL LEAGUE

Chicago 000 100 001—2 9 0
Montreal 000 010 000—1 6 0

Sanderson, L.Smith (8) and Davis; Sebra, Reardon (9) and Bilardello. W—L.Smith, 9-7. L—Reardon, 6-8.

First Game

St. Louis 100 100 000—2 6 0
New York 000 001 000—1 8 0

Tudor, Soff (8), Perry (9) and LaValliere; Aguilera, Anderson (4), Sisk (6), Orosco (8) and Hearn. W—Tudor, 12-6. L—Aguilera, 6-5. Sv—Perry (2).

Second Game

St. Louis 000 020 000—2 6 1
New York 001 221 03x—9 11 1

Cox, Horton (6), Burris (8) and Lake, LaValliere (8); Niemann, McDowell (7) and Gibbons. W—Niemann, 2-3. L—Cox, 7-10. Sv—McDowell (12). HRs—New York, Heep (5), Teufel (3), Dykstra (7).

Pittsburgh 001 00—1 4 1
Philadelphia 401 00—5 6 0

Reuschel and Pena; Ruffin and Reynolds. W—Ruffin, 5-3. L—Reuschel, 7-14. HR—Philadelphia, Redus (10).

San Diego 001 043 010—9 13 1
Cincinnati 000 014 000—5 9 2

Hoyt, Walter (6), Lefferts (7), McCullers (7), Gossage (8) and Bochy; Welsh, Murphy (5), Willis (6), Power (6), Robinson (7), Franco (8) and Diaz. W—Hoyt, 7-8. L—Welsh, 4-4. HRs—San Diego, Kruk (3). Cincinnati, Bell (13), Larkin (1), Oester (6).

Houston 002 001 000—3 8 1
Atlanta 000 201 10x—4 6 0

Ryan, Funk (6), Andersen (6), Lopez (8) and Ashby; Z.Smith, Speck (7), Olwine (8), Garber (9) and Benedict. W—Speck, 2-0. L—Andersen, 2-1. Sv—Garber (18). HR—Houston, Davis (25).

Los Angeles 010 000 010—2 12 2
San Francisco 000 000 000—0 4 0

Honeycutt, Niedenfuer (9) and Trevino; Blue, Robinson (8), Garrelts (9) and Brenly. W—Honeycutt, 9-7. L—Blue, 9-7. Sv—Niedenfuer (10). HR—Los Angeles, Trevino (4).

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	69	48	.590	—
New York	65	54	.546	5
Detroit	63	56	.529	7
Toronto	63	56	.529	7
Baltimore	62	56	.525	7½
Cleveland	61	57	.517	8½
Milwaukee	58	59	.496	11

West Division

	W	L	Pct.	GB
California	65	52	.556	—
Texas	61	57	.517	4½
Kansas City	53	65	.449	12½
Chicago	52	64	.448	12½
Oakland	52	68	.433	14½
Seattle	52	68	.433	14½
Minnesota	51	67	.432	14½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
New York	77	41	.653	—
Montreal	59	56	.513	16½
Philadelphia	59	59	.500	18
St. Louis	59	59	.500	18
Chicago	52	66	.441	25
Pittsburgh	47	70	.402	29½

West Division

	W	L	Pct.	GB
Houston	67	51	.568	—
San Francisco	61	57	.517	6
Los Angeles	58	60	.492	9
Cincinnati	56	61	.479	10½
Atlanta	55	62	.470	11½
San Diego	55	63	.466	12

Golf

Final-round scores, points, and earnings in The International tournament, which ended Sunday on the par-72, 7,503-yard Castle Pines (Colorado) Golf Club course (unofficial modified scores; points awarded as a 10 for double eagle, 5 for eagle, 2 for birdie, 0 for par, -1 for bogey and -3 for double bogey or worse):

Ken Green, $180,000	70-71-71-66—278	12
Bern. Langer, $113,000	71-69-68-69—277	9
J.C. Snead, $63,000	72-71-70-70—283	8
Joey Sindelar, $63,000	69-66-70-69—274	8
Nick Price, $45,000	73-71-68-70—282	6
H. Twitty, $41,000	74-70-68-70—282	5
Kenny Knox, $37,250	69-73-70-71—283	4
Bruce Lietzke, $37,250	67-68-71-71—277	4
Andy Dillard, $34,000	71-72-70-75—288	1
Tom Kite, $31,000	73-71-69-74—284	0
D. Hammond, $31,000	70-73-70-75—288	0
T.C. Chen, $28,000	71-67-70-75—283	-1

FINAL-ROUND CARDS

Par out	544 344 354-36
Par in	434 454 354-36—72
Green out	534 344 244-33
Green in	433 454 244-33—66
Langer out	434 343 244-33
Langer in	454 443 444-36—69
Snead out	553 334 356-37
Snead in	533 543 244-33—70
Sindelar out	544 343 364-36
Sindelar in	334 544 343-33—69
Price out	533 354 344-34
Price in	533 454 354-36—70
Twitty out	544 344 244-34
Twitty in	434 444 454-36—70
Knox out	434 344 353-33
Knox in	444 435 354-38—71
Lietzke out	543 443 364-36
Lietzke in	424 454 354-35—71
Dillard out	435 354 245-35
Dillard in	644 453 455-40—75
Kite out	543 544 255-37
Kite in	544 454 344-37—74
Hammond out	444 454 344-36
Hammond in	546 544 344-39—75
Chen out	543 244 355-35
Chen in	444 576 244-40—75

Tennis

Men's Tournaments

(At Toronto)

Singles Final

Boris Becker (2), West Germany, def. Stefan Edberg (4), Sweden, 6-4, 3-6, 6-3.

Doubles Final

Chip Hooper, U.S., and Mike Leach, U.S., def. Boris Becker, West Germany, and Slobodan Zivojinovic, Yugoslavia, 6-7 (3-7), 6-3, 6-3.

(At Saint Vincent, Italy)

Singles Final

Simona Colombo, Italy, def. Paul McNamee, Australia, 2-6, 6-3, 7-6 (7-2).

Women's Tournament

(At Manhattan Beach, California)

Singles Final

Martina Navratilova (1), U.S., def. Chris Evert Lloyd (2), U.S., 7-6 (7-5), 6-3.

Doubles Final

Martina Navratilova, U.S., and Pam Shriver, U.S., def. Claudia Kohde-Kilsch, West Germany, and Helena Sukova, Czechoslovakia, 6-4, 6-3.

Football

CFL Standings

EASTERN DIVISION

	W	L	T	PF	PA	Pts
Toronto	4	3	0	160	163	8
Hamilton	2	5	0	145	168	4
Montreal	2	5	0	136	132	4
Ottawa	2	5	0	153	180	4

WESTERN DIVISION

	W	L	T	PF	PA	Pts
Brit Clmb	7	1	0	209	171	12
Edmonton	5	2	0	201	148	10
Calgary	4	4	0	171	163	8
Winnipeg	4	3	0	186	149	6
Saskatchwn	3	5	0	143	218	6

Saturday's Result

Hamilton 23, Saskatchewan 21

Transition

BASEBALL

American League

BOSTON—Optioned Kevin Romine, outfielder, to Pawtucket of the International League.

SEATTLE—Optioned Lee Guetterman, relief pitcher, to Calgary of the Pacific Coast League. Traded Spike Owen, shortstop, and Dave Henderson, outfielder, to Boston for Rey Quinones, shortstop, Mike Brown and Mike Trujillo, pitchers, and a player to be named later.

National League

NEW YORK—Placed Gary Carter, catcher, on the 15-day disabled list. Recalled Randy Niemann, pitcher, and John Gibbons, catcher, from Tidewater of the International League. Optioned Randy Myers, pitcher, to Tidewater.

FOOTBALL

National Football League

MIAMI—Waived George Farmer and Tron Armstrong, wide receivers; John Stuart and Wade Russell, offensive tackles; Reyna Thompson, safety; Mike Dorunda and David Mielke, offensive guards; John Taglieferri, Marc Wolfe, and Warren Loving, running backs; Jeff Peques, linebacker, and Tom Taylor, center.

SAN FRANCISCO—Cut Booker Reese, defensive end; Doug Allen and Tony Woodruff, wide receivers; Tony Brown and Elton Veals, running backs; Greg Dubroc, linebacker; John Faylor, safety, and Bob Tabochino, center.

TAMPA BAY—Released Novo Bojovic and Eddie Garcia, placekickers; Jim Colquitt, punter; Jesse Bendross, wide receiver; Dwayne Pugh, linebacker; Mark Studaway, defensive lineman; Matt Johnson, defensive back; Mike Crawford, running back, and Terry Nugent, quarterback. Placed Don Fielder and Nat Hudson, defensive ends, and Corwyn Aldredge, tight end, on injured reserve.

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(Continued From Back Page)

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Van Cliburn's Perplexing Career

By Donal Henahan
New York Times Service

NEW YORK — I hope you were as cheered as I was to read recently that Van Cliburn paid frequent visits to the Manhattan town house of his old friends Imelda and Ferdinand Marcos, who kept three Steinway grands at the ready for just such occasions. I had not thought of the enigmatic Cliburn for a long time.

What heartens me is the realization that an audience of sorts would have attended these impromptu performances. Somebody may know, then, if Van Cliburn still can play.

To anyone who followed Cliburn's perplexing career the news that he still might be persuaded to sit down at a piano occasionally can only be a comfort. It is better than imagining him holed up somewhere like Gloria Swanson in "Sunset Boulevard," thumbing through his clippings.

It is less depressing than remembering him only as the most famous dropout in American concert history. I say American history to allow room for argument over the defection of Glenn Gould, a Canadian pianist who also tired of concert life. Gould, however, continued to record after abandoning live performance, wrote inimitably fey polemical prose, and cultivated critics and journalists to promote his legend of inaccessibility. Cliburn, by contrast, though visible socially, has been a recluse artistically for nearly a decade.

Initially, Cliburn's playing deserved much of the praise heaped upon it. He had a contest-winner's technique, of course, but it was his ardent style and unabashed display of temperament that made such a startling impression on listeners in a postwar time when most young pianists were concentrating on perfecting a fashionable kind of brilliant but heartless accuracy. His storybook triumph in 1958 at the Tchaikovsky International Piano Competition in Moscow, which made him an American culture hero, also made him rich.

Within a couple of years, however, Cliburn's playing began to decline. He appeared to be lucky in that the music he played best happened to be the music the public loved most. He wore out the Tchaikovsky First and the Rachmaninoff Third, his Moscow contest pieces, partly because they were what the audience demanded. But, his own interests were similarly constricted. His occasional dips into the classical repertory sounded perfunctory and strangely slack. The suspicion grew even among warm admirers that Cliburn's might be a narrow talent. And possibly Cliburn began to share that suspicion.

Van Cliburn at the beginning of his career.

From the mid-1960s on, his appearances in New York became so infrequent that some critics began to suspect his manager, Sol Hurok, of trying to conserve the young pianist's reputation. Now and then, he did turn up as a concerto soloist, generally earning tepid reviews or worse.

It was hard to see how he could go on that way, and he did not. After a concert in 1978, Cliburn retired and since then most of his public appearances have been ceremonial, social or in furtherance of the Fort Worth piano competition that bears his still-famous name. Even in his years of musical decline, however, the public continued to be fascinated by him. His fee, which soared in the wake of his Moscow success and the New York ticker-tape parade that followed, remained as high as any in the music business.

To this day, the Cliburn name has not lost its brand-name recognition — if he announced his return to public performance tomorrow, he probably could name his fee. The United States sometimes forgets its artists, but not its celebrities.

And yet, at age 52, he hardly can be reconciled to premature enshrinement. Virtuoso pianists often seem to be just finding themselves as artists at an age when other people are filing for Social Security. Judging by the durable careers of such pianists as Arthur Rubinstein, Rudolf Serkin and Vladimir Horowitz, Cliburn should now be in midpassage. So what made Cliburn, the most celebrated American-born pianist, give it all up so early? The comfort of a large bank account? Musical boredom? A sudden loss of appetite for applause? Personal problems? Disenchantment with the tiresome life of a touring virtuoso?

Perhaps some combination of these factors, and a few others. My guess would be that a lack of intellectual curiosity contributed most importantly to Cliburn's inability to sustain a public career. His repertory, though it made occasional excursions into classical and modern areas (Beethoven, Mozart, Prokofiev, Samuel Barber) never really challenged him.

What we cannot know, of course, is what changes if any have occurred in Van Cliburn's playing since his retirement — supposing, of course, that he still plays seriously and not merely to charm uncritical friends. In an interview last year, Cliburn said he occasionally reads through new works that publishers send him and keeps his hand in with the older composers. He even left dangling the possibility that one day he might return to public performance.

Harry Grossman/The New York Times
The pianist has not played in public since 1978.

What mysterious bundle of drives is it that keeps one extraordinarily talented artist active into venerable old age while another loses interest in comparative youth?

Whatever those impulses may be, they probably are out of the control of the artist. Money cannot have everything to do with it: Stokowski, Rubinstein and Toscanini all were in comfortable circumstances, but were nonetheless kept performing almost until they dropped. Perhaps they had egos that no amount of artistic success and-or applause could ever satisfy. Perhaps they were simply limited men, absorbed all their lives in admiring their own talent and insatiably hungry for applause.

If there were no more than that to it, the decision of a Cliburn or a Gould could seem perfectly sane and admirable. Somehow, I doubt it.

For all I know, Van Cliburn is practicing eight hours a day right now, preparing for a return to action that will refurbish his legend. More likely, he will not risk losing his celebrity status by putting the question of his artistic maturity to the test. After all, he already has a secure place in American cultural history.

PEOPLE

A Sioux Bar Mitzvah

Little Sun Bordeaux, 13, the hereditary chief of the Teton Sioux tribe from Washington state, is on his way to Jerusalem to celebrate his bar mitzvah at the Western Wall, Judaism's holiest site. Little Sun observes Judaism as well as his native Indian religion because his mother is Jewish, according to a statement by El Al, the Israeli national airline. The bar mitzvah ceremony will be Thursday. Little Sun, whose Hebrew name is Shemesh Katan, attends Temple Beit Shalom in Spokane, Washington. His mother, **Armalona Greenfield**, is the third generation of women from a Jewish family married to members of the Teton Sioux tribe, El Al said. On his father's side Little Sun is said to be a direct descendant of **Chief Crazy Horse**, the hero of the Little Big Horn battle in 1876.

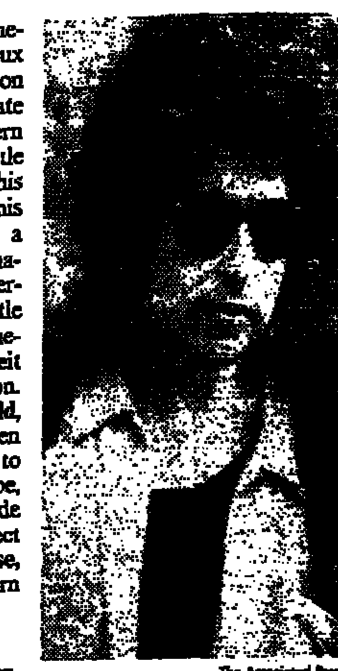
□

The Grand Hotel in Brighton, England, has reopened nearly two years after it was devastated by an Irish Republican Army bomb that was intended to kill **Prime Minister Margaret Thatcher** and her Cabinet. "This is a very moving moment for all of us," said **Richard Baker**, the hotel manager, who supervised a rebuilding and refurbishing program that cost more than £11 million ($16.5 million). The bomb exploded Oct. 12, 1984, during the annual convention of Thatcher's Conservative Party. Five persons were killed and 31 injured. In June, **Patrick Magee** was convicted of planting the time bomb and causing the explosion.

□

"Jezioro Bodenskie," a Polish film about a World War II internment camp in Germany, has been awarded the Golden Leopard, the top prize at the Locarno International Film Festival in Switzerland. The jury's announcement was greeted with boos and whistles. The film, titled after a lake on the Swiss-West German border, was directed by **Janusz Zaorski**. It was one of 17 entries in the festival's main competition, which features works by young directors who have made fewer than four films.

□


The Associated Press
Bob Dylan

Bob Dylan lived up to his reputation when he appeared at a news conference in London touting the film "Hearts of Fire," in which he will play a retired rock star: Looking bored and uncomfortable, he refused to say much about himself, the part he plays, or the four songs he has writing for the movie, which is due to start six weeks of filming in London later this month. Why is he doing the film after a decade away from the screen? "I was not doing anything right now and it seemed like a good idea," he said.

□

The most beautiful women in the United States, according to Harper's Bazaar magazine, range from **Nancy Reagan**, who is in her 60s, to **Lisa Bonet**, who plays a teen-ager on television's "The Cosby Show." Also on the magazine's list were the actresses **Cybill Shepherd, Meredith Baxter Birney, Priscilla Presley** and **Barbara Carrera**, the broadcaster **Maria Shriver**, the singer **Whitney Houston**, the documentary filmmaker **Diandra Douglas** and the model **Paulina Porizkova**. Shepherd said she kept fit by biking, swimming and eating whole-grain food. "I'm not a doctrinaire vegetarian or anything, mind you — I just find that cereals do a lot for my looks — and I mean hair and skin as well as energy," she told the magazine. Houston said she took a different approach: "Don't hate me but I don't do anything. I never exercise. And I eat whatever I want."

INTERNATIONAL CLASSIFIED

LEGAL NOTICES

SUPREME COURT - STATE OF NY - County of Kings - Index 19665-86 FAUSTINA CALABRETTA PARAVATI, Plaintiff v. SAVERIO PARAVATI, Defendant - Summons and Notice in Divorce Action based on abandonment. Basis of Venue and Trial 509. You are summoned to appear in this action by serving a notice of appearance on plaintiff's attorney within 30 days after service is complete and if you fail to appear, judgment will be taken against you by default. To the above named defendant: this summons is served upon you by publication by order of Hon. James H. Shaw, a Justice of this Court, dated 8-5-86, now on file in the Kings County Clerk's office. ROURA & MELAMED, 225 Broadway, NYC, Plaintiff's Attorneys

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